



## **PUBLIC DISCLOSURE**

July 27, 2015

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

Cadence Bank, National Association  
Charter Number 3656

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Birmingham, AL 35203

Office of the Comptroller of the Currency

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**NOTE:** This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be, construed as an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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## General Information and Overall CRA Rating

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority, when examining financial institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income (LMI) neighborhoods, consistent with the safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the CRA performance of **Cadence Bank, National Association (Cadence or bank)** issued by the OCC, the institution's supervisory agency, for the evaluation period ending December 31, 2014. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A, to 12 CFR Part 25.

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

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

Performance Levels	Cadence Bank, N.A. Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory			
Low Satisfactory	X	X	X
Needs to Improve			
Substantial Noncompliance			

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

The major factors that support this rating include:

- This is the first CRA examination for the reconstituted Cadence, which is an amalgamation of a severely troubled bank, a failed bank and a niche-market bank. During the examination period, the bank focused primarily on reducing troubled assets and remediating operational deficiencies. The necessary allocation of resources to stabilize and improve the bank's financial condition impeded the bank's ability to devote significant resources to enhancing lending performance across the bank's AAs. These considerations compensated for noted weaknesses in the volume and distribution of loans;
- The bank originates a significant majority of loans inside its assessment areas (AA);
- The bank's lending activity is generally adequate, considering the bank's financial constraints;

- The geographic distribution was generally poor, ranging from adequate to poor across rating areas. Home mortgage loan performance was generally poor, while performance of small loans to businesses was good;
- The borrower income distribution was generally adequate, ranging from good to very poor across rating areas. Home mortgage loan performance was generally adequate, but was very poor in two rating areas. The performance of small loans to businesses was generally good;
- Community development (CD) lending had a generally neutral impact on the Lending Test, ranging from significantly positive to negative in the rating areas. The bank focused CD lending on geographies where it lacked sufficient resources to markedly improve retail lending during the evaluation period;
- The bank had an overall adequate level of qualified investments, ranging from excellent to poor. Investments were generally responsive to community needs, including activities that served broader statewide and regional areas that had a purpose, mandate or function to serve one or more of the bank's AAs. The bank also received consideration for a regional investment that did not serve any of the bank's AAs, because the bank was generally responsive to needs in the AAs;
- Overall, bank branches range from reasonably accessible to accessible to limited portions of individual rating areas. Hours are generally good with no significant differences between branches located in areas with different income levels. The bank offers an adequate level of services through alternate delivery systems. The record of opening or closing offices has not adversely impacted access to banking services; and
- Cadence provides a generally good level of CD services.

## Definitions and Common Abbreviations

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

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

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

**Census Tract (CT) – 2000 Census:** 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.

**Census Tract (CT) – 2010 Census:** Small, relatively permanent statistical subdivisions of a county delineated by local participants as part of the U.S. Census Bureau's participant Statistical Areas Program. The primary purpose of CTs is to provide a stable set of geographic units for the presentation of decennial census data. CTs generally have between 1,500 and 8,000 people, with an optimum size of 4,000 people.

**Community Development:** Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet 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 applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn), loan pricing, the lien status of the collateral, and any requests for preapproval and loans for manufactured housing.

**Home Mortgage Loans:** Such loans include home purchase, home improvement and refinance, 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) – 2000 Census:** 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.

**Median Family Income (MFI) – 2010 Census:** The median income derived from the United States Census Bureau's American Community Survey data every 5 years and used to determine the income level category of geographies. Also, it is the median income determined by the Federal Financial Institution's Examination Council (FFIEC) annually that is used to determine the income level of individuals within a geography. For any given geography, the median is the point at which half of the families have income above it and half below it.

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

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

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

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

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

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

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

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

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

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

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

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

Cadence Bank, N.A. is a midsize, interstate bank headquartered in Birmingham, Alabama. In 2009, a Houston-based bank holding company called Community Bancorp, LLC (CBC) was created. In March 2011, CBC acquired legacy Cadence Bank, which was operating under an enforcement action due to significant problem assets and low capital levels. In April 2011, CBC acquired the failed Birmingham-based Superior Bank from the Federal Deposit Insurance Corporation. In November 2011, CBC merged Cadence and Superior Bank to form the new Cadence Bank, N.A. (Cadence) and simultaneously, changed CBC's name to Cadence Bancorp, LLC, a \$7.9 billion bank holding company located in Houston, Texas. In 2012, CBC acquired Encore Bank – a bank that focused on Energy Services and small Commercial Real Estate lending. The acquisition of a troubled institution, a failed institution and an institution with a niche-market business model and strategic focus created significant constraints for the bank to compete across its AAs. The financial condition and business models of the acquired institutions created a new bank, and similar to other new bank charters issued during the evaluation timeframe, Cadence executed an Operating agreement with the OCC with the intent of improving asset quality, enhancing earnings and maintaining adequate capital levels. These factors impeded the bank's ability to meet the credit needs of its AAs. As of December 31, 2014, Cadence had total assets of \$7.9 billion, and Tier One Capital of \$878 million.

Cadence primarily engages in generating deposits and originating loans. According to the FDIC Deposit Market Share Report dated June 30, 2014, Cadence achieved a \$1.7 billion deposit Market share within the state of Alabama. Total deposits bank wide totaled \$5.8 billion. As of December 31, 2014, the bank had net loans of \$6.15 billion, representing 77.58 percent of total assets. Commercial and industrial loans made up 59.65 percent of the total loan portfolio. Approximately 37.94 percent of the bank's loan portfolio was comprised of real estate loans, of which commercial real estate and one to four family residential properties (47.90 percent and 49.35 percent, respectively) represented the predominant portion of the real estate loan portfolio. Consumer loans comprised 1.50 percent of the total loan portfolio. Government loans and farm loans accounted for less than one percent of the total loan portfolio.

Cadence broadly defines its markets as the state of Texas and the southeast United States with active banking operations in six primary states: Alabama, Florida, Georgia, Mississippi, Tennessee, and Texas. Cadence is a full-service bank with 78 full-service banking offices and nine deposit-taking Automated Teller Machines (ATMs) across its footprint. The bank's geographic focus varies by line of business, with an emphasis on growth in the southeast United States. The Specialized Industries business line is national in scope, The Business Services, Mortgage, Retail and Wealth Services lines of business primarily focus on clients within Cadence's geographic footprint. The bank's presence in Texas is the principal driver of loan growth. The bank's business strategy is to develop relationships across a range of specialized industries, such as energy, healthcare, restaurants, convenience and gas, and technology. Cadence focuses on providing banking services to small and middle market businesses, and commercial clients. Cadence offers a full range of loan and deposit products

to businesses and individuals, including financial management, investment and trust services, treasury management, international, retail and mortgage products.

The bank has two affiliates: Cadence Insurance and Linscomb & Williams. Cadence Insurance offers a complete line of personal and business insurance products. Linscomb & Williams is a financial advisory firm that offers portfolio management and financial planning services. The activities of these affiliates had no CRA impact on the bank during the evaluation period.

The former Cadence Bank CRA performance was last evaluated January 4, 2011, at which time the bank received a rating of "Satisfactory."

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

For this evaluation, we analyzed home purchase, home improvement, and home refinance mortgage loans the bank reported under the Home Mortgage Disclosure Act (HMDA) and small loans made to businesses the bank reported under the Community Reinvestment Act (CRA). Due to merger and acquisition activity, the evaluation period start dates varied by AA as follows:

- October 1, 2010: Birmingham MSA, Tuscaloosa MSA, Sarasota MSA, GA non-MSA, MS non-MSA, Memphis MSA, and Nashville MSA AAs.
- January 1, 2012: With the exception of the Birmingham, Tuscaloosa, and Sarasota MSA AAs, all AAs within the states of Alabama and Florida.
- September 14, 2012: Houston MSA and San Antonio MSA AAs.

Merger and acquisition activity also affected the evaluation period start dates for CD loans, the Investment Test, and the Service Test:

- September 14, 2010: Birmingham MSA, Tuscaloosa MSA, Sarasota MSA, GA non-MSA, MS non-MSA, Memphis MSA, and Nashville MSA AAs.
- November 11, 2011: With the exception of the Birmingham, Tuscaloosa, Homosassa Springs, and Sarasota MSA AAs, all AAs within the states of Alabama and Florida.
- September 14, 2012: Houston MSA and San Antonio MSA AAs.

The evaluation period end date was December 31, 2014 for HMDA, small loans to businesses, CD loans, the Investment Test, and the Service Test. Due to changes between the 2000 Census and 2010 Census, we performed separate analyses of 2010 through 2011 data and 2012 through 2014 data to evaluate the Lending Test geographic distribution and borrower income criteria. For some AAs, we performed a separate analysis on 2014 data, due to changes instituted by the 2014 Office of Management and Budget (OMB) MA geographic boundary revisions. Refer to the "Description" section under each Rating Area section for details on those areas impacted by the 2014 OMB changes. Performance Tables 1 through 12 in appendix D include only data covered by the analysis period receiving the greatest weight, namely 2012 through 2013 for those AAs not impacted by the OMB changes, and 2012 through 2014 for all other AAs.

In order to perform a meaningful analysis for lending performance, a minimum of 20 loans was needed in a loan product and in each analysis period. With the exception of the MS non-MSA AA in the state of Mississippi, Cadence did not originate a sufficient volume of small loans to farms in any AA to perform a meaningful analysis; therefore, we did not evaluate this product separately. Additionally, the bank did not originate or purchase a sufficient volume of multifamily loans in any AA to perform a meaningful analysis. Although the bank did not originate a sufficient volume of multifamily loans in any AA to perform an analysis, we considered multifamily loans meeting the CD definition as part of the evaluation of CD lending.

## **Data Integrity**

As part of our ongoing supervision of the bank, we tested the accuracy of the bank's HMDA and CRA lending data. We also reviewed the appropriateness of CD activities provided for consideration in our evaluation. This included testing of CD loans, investments, and services for accuracy and to determine if they qualify as CD as defined in the CRA regulation.

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

We selected at least one AA in each state where the bank has a branch for a full-scope review. Full-scope reviews consider both quantitative and qualitative factors. In general, we selected AAs for a full-scope review because they represented a significant portion of the bank's deposit base, lending volume, and branch presence in the state. Other AAs in each state were analyzed using limited-scope evaluation procedures. Limited-scope procedures consider quantitative factors only. Refer to the "Scope" section under each State Rating section for details regarding how we selected the areas for review.

## **Inside/Outside Ratio**

The ratio is a bank-wide calculation and not calculated by individual rating area or AA. Analysis is limited to bank loan originations and purchases and does not include any affiliate data. For the combined four-year evaluation period, Cadence originated a majority (73.33 percent) of all loan products inside the bank's AAs. The percentage in number of loans originated inside the AAs by loan type were home purchase loans (60.32 percent), home improvement loans (53.07 percent), home refinance loans (72.46 percent), small loans to businesses (89.57 percent), and small loans to farms (91.08 percent).

## **Ratings**

The bank's overall rating is a blend of the state ratings. The ratings for Alabama and Texas received the greatest emphasis in our analysis. Alabama represented the bank's most significant market in terms of branches and retail lending, and the second largest in terms of deposits. Although Texas represented a small portion of bank deposits, lending volume in the full-scope AA was significant. Ratings for the states of Florida, and Mississippi carried less weight, with minimal emphasis placed on the states of Tennessee and Georgia. Emphasis was determined considering the bank's deposit volume, branch presence, and loan volume in each state relative to the bank as a whole. Refer to the "Scope" section under each State Rating section for details regarding the emphasis used in arriving at the respective ratings.

## **Other Factors Considered in our Analysis under Each Performance Test**

### **Lending Test**

Under the Lending Test, consideration was given to the impact that the restructuring of the bank's entire mortgage origination function had on its performance. The bank acquired a wholesale/broker mortgage operation with ineffective controls. A complete overhaul of the support and sales teams was necessary to orient the operation to a retail and community lending model, which hampered the bank's ability to lend during the evaluation period.

The bank's performance during 2012 through 2013 received the greatest weight in the analysis of geographic and borrower income distribution. This was because the 2012 through 2013 (or 2014) time contained the majority of the evaluation period and was more reflective of its current condition, performance, and business strategy. Lending in the preceding period remained limited across the industry as a result of the adverse effects of the economic downturn in 2007.

Based on loan volume over the evaluation period and community credit needs, we gave equal consideration to the bank's distribution of home mortgage loans and small loans to businesses. Within the home mortgage loan category, we placed the greatest emphasis on home purchase loans, followed by home refinance loans. Home improvement loans received less emphasis and were not identified as substantive needs in any one AA. These weightings were based on loan volume over the evaluation period.

In our analysis of the distribution of loans to geographies with different income levels, we placed greater emphasis on the bank's performance in moderate-income census tracts (CTs), particularly if the number of owner-occupied housing units or businesses in the low-income CTs significantly limited opportunities to originate loans. Performance in moderate-income geographies was further emphasized if there was a limited number or no low-income CTs in the AA.

In our analysis of borrower distribution, we considered the disproportionate impact of poverty levels on the demand for mortgages from low- or moderate-income individuals. We also considered the median housing values, and the difficulty experienced by low- or moderate-income applicants to qualify for home loans in high cost markets.

### Innovative and Flexible Loan Programs

Bank wide, Cadence offers flexible home mortgage loan programs that are affordable to LMI borrowers. Loans originated under these programs are included in the bank's home mortgage loans and analyzed under other portions of the Lending Test. The bank did not maintain records of these loan originations by AA; therefore, aggregate information regarding these flexible loan products is detailed below.

- **Cadence Advantage:** This bank-specific, fixed rate mortgage product is designed for LMI borrowers who require low down payment options and credit flexibility. This product also allows a loan-to-value of 95 percent, term options of 15 or 30 years, and reduced mortgage insurance coverage. Because this product targets LMI borrowers, income is restricted to 100 percent of area median income. During the evaluation period, Cadence originated three loans totaling \$424,125.
- **Federal Housing Administration (FHA):** This federal program facilitates lending to borrowers, often low- or moderate-income individuals, with limited funds for traditional down payments or who do not qualify for private mortgage insurance. It allows first-time homebuyers to put down as little as three percent, which can be funded by a third party as a gift. Cadence originated 797 loans totaling \$110.77 million during the evaluation period.

- Federal National Mortgage Association (FNMA) HomePath Program: This program offers financing on Fannie Mae owned properties, allowing expanded seller contributions and no mortgage insurance on Fannie Mae foreclosures. Cadence originated five loans totaling \$551,000 during the evaluation period.
- United States Department of Agriculture (USDA) Guaranteed Rural Housing program: This federal program offers low interest rate loans to individuals in rural communities with populations of 20,000 or less. The program does not require a down payment and eliminates the requirement of mortgage insurance. It offers flexible credit standards with 30-year fixed rate terms and is limited to low- and moderate-income households. Cadence originated 337 loans totaling \$41.89 million during the evaluation period.
- Veterans Affairs (VA): This federal program offers long-term financing to eligible veterans and surviving spouses. It helps veterans purchase homes with no down payment, provides 100 percent financing without private mortgage insurance, and allows veterans to receive up to six percent towards any closing costs incurred during the origination of a loan. During the evaluation period, Cadence originated 377 loans totaling \$80.80 million.

Cadence participates in several other innovative and flexible loan programs but did not originate loans under those programs during the evaluation period.

### **Investment Test – Broader Regional Area**

In addition to qualified investments made in the bank's AAs and broader statewide areas, we considered investments Cadence made in the broader regional area that includes the bank's AAs. These investments fell into one of two categories: 1) originated to organizations or used for activities with a purpose, mandate or function to serve one or more of the bank's AAs; or 2) originated to organizations or used for activities without a purpose, mandate or function to serve one or more of the bank's AAs.

During the evaluation period, Cadence originated eight investments totaling \$3.6 million to entities that serve one or more of the bank's AAs. All of these investments were to Small Business Investment Companies (SBICs). In addition, the bank originated one investment in a government sponsored mortgage-backed security totaling \$91,121, where the underlying mortgages were originated to LMI individuals. This regional investment did not serve any of the bank's AAs, but was considered because the bank was responsive to AA needs.

## **Fair Lending or Other Illegal Credit Practices Review**

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

The OCC did not identify evidence of discriminatory or other illegal credit practices with respect to this institution.

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.

## State Rating

### State of Alabama

<b>CRA Rating for Alabama</b>	<b>Satisfactory</b>
<b>The Lending Test is rated:</b>	<b>Low Satisfactory</b>
<b>The Investment Test is rated:</b>	<b>Low Satisfactory</b>
<b>The Service Test is rated:</b>	<b>Low Satisfactory</b>

The major factors that support this rating include:

- An adequate level of lending for home mortgage loans and a good level of lending for small loans to businesses;
- Overall adequate geographic distribution, with poor home mortgage loan performance, mitigated by the constraints imposed by the complete restructuring of mortgage lending operations, and good small loans to businesses distribution;
- An overall good borrower income distribution, with good home mortgage loan performance and excellent small loans to businesses loan performance;
- CD lending was overall positive in the state and highly responsive to community needs, with significantly positive performance in the Birmingham AA and neutral performance in the Huntsville AA;
- An adequate level of qualified investments with characteristics that demonstrated adequate responsiveness to community needs;
- A branch distribution that provided limited access to LMI individuals and geographies, adversely impacted by branch closures; and
- An excellent level of CD services that were responsive to community needs.

### Description of Institution's Operations in Alabama

Cadence has 10 AAs within the State of Alabama. These AAs include the Birmingham-Hoover MSA (Birmingham AA) comprised of Blount, Jefferson, and Shelby Counties; the Huntsville MSA (Huntsville AA) comprised of Limestone and Madison Counties; the Decatur MSA comprised of Morgan County; the Florence-Muscle Shoals MSA comprised of Lauderdale County; the Gadsden MSA comprised of Etowah County; the Montgomery MSA comprised of Montgomery County; the Tuscaloosa MSA comprised of Tuscaloosa County; and three non-metropolitan areas geographically dispersed across the state as follows:

- AL Non-MSA Central: Talladega County
- AL Non-MSA North: Marion, Marshall, Winston Counties
- AL Non-MSA South: Covington, Monroe, Perry Counties

Cadence entered the Huntsville MSA, Decatur MSA, Florence-Muscle Shoals MSA, Gadsden MSA, Montgomery MSA, and the three non-MSA markets in November 2011 with the acquisition of Superior Bank.

The bank has 28 branches within the state, representing 34.57 percent of the bank's total branch network. Cadence opened one branch and closed 23 others statewide during the evaluation period. As of December 31, 2014, Cadence has 29 ATMs within the state, representing 33.72 percent of the bank's total ATM network bank-wide. There were no deposit-taking ATMs in Alabama. As of June 30, 2014, the bank ranked eighth in the state in deposits, representing a 1.96 percent market share. The bank's statewide deposits totaled \$1.74 billion. The Birmingham AA is the bank's most significant AA in the state, accounting for 45.10 percent of total bank deposits in Alabama.

### Birmingham AA

Strong competition exists for financial services within the Birmingham AA. Per the June 30, 2014 FDIC Deposit Market Share Report, the bank ranked sixth of 38 depository financial institutions in the AA, with a 3.27 percent market share and \$1.0 billion in deposits. Competition includes a large nationwide institution and several regional banks. The top five competitors, in order of their ranking, are Regions Bank, Compass Bank, Wells Fargo Bank, N.A, ServisFirst Bank, and Synovus Bank. These five competitors controlled 77.24 percent of the deposit market share within this AA.

### Huntsville AA

The banking industry is highly competitive within the Huntsville AA. Per the June 30, 2014 FDIC Deposit Market Share Report, the bank ranked ninth of 27 depository financial institutions in the AA with a 3.27 percent market share and \$221 million in deposits. Competition includes large regional banks along with several institutions with a nationwide presence. The top five competitors, in order of their rankings are Regions Bank, Compass Bank, ServisFirst Bank, Wells Fargo Bank, N.A., and Branch Banking and Trust Company. These competitors controlled 63.82 percent of the deposit market share within this AA.

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

## **Scope of Evaluation in Alabama**

For the state of Alabama, we completed full-scope reviews of the Birmingham and Huntsville AAs. We completed limited-scope reviews of the Decatur, Florence, Gadsden, Montgomery, and Tuscaloosa MSA AAs, as well as the AL non-MSA Central, AL non-MSA North, and the AL non-MSA South AAs. The Birmingham and Huntsville AAs received full-scope reviews due to the high percentage of deposits (70.20 percent), branches (53.57 percent), and loans (47.52 percent) in those areas. Ratings are based primarily on results of the full-scope areas. The Birmingham AA received the most weight on final ratings because it had the largest percentage of the bank's deposits, loans, and branches in Alabama. Refer to appendix A for more information on the Alabama AAs.

## LENDING TEST

### Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Lending Test in Alabama is rated "Low Satisfactory." Based on full-scope reviews, the bank's performance in the Birmingham and Huntsville AAs is adequate.

### Lending Activity

The bank's overall lending activity in the state of Alabama is adequate, considering the strong competition for all types of loans in the bank's AAs. When performing the lending activity analysis, June 30, 2013 FDIC Deposit Market Share data and 2013 peer mortgage and small business loan data were used.

Refer to Table 1, Lending Volume, in the state of Alabama section of appendix D for the facts and data used to evaluate the bank's lending activity.

#### Birmingham AA

Cadence's lending activity in the Birmingham AA is adequate. Home mortgage lending is poor and small business lending activity is good considering competition in the AA.

Based on FDIC Deposit Market Share data, Cadence had a deposit market share of 2.81 percent and ranked seventh among 39 depository institutions. Based on peer mortgage data, competition for home purchase lending was strong, with 266 lenders in the AA. Cadence ranked 44<sup>th</sup> in home purchase lending achieving a market share of less than one percent. Cadence ranked 18<sup>th</sup> for home improvement lending, achieving a market share of less than one percent. Home refinance lending was also highly competitive with 313 total lenders in the AA. Cadence ranked 49<sup>th</sup> in home refinance lending achieving a market share of less than one percent. These market shares and ranks are adequate when compared to the deposit market share, rank, and competition within the AA.

The small business lending activity is good given the bank's market share and rank when compared to the deposit market share and small business loan competition within the AA. Based on peer small business data, the top five lenders consisted of the nation's largest credit card lenders who collectively had 56.52 percent of the market share. Cadence ranked 20<sup>th</sup> among 76 lenders, achieving a market share of less than one percent. Individual market shares of these larger credit card lenders ranged from 5.61 percent to 21.29 percent.

#### Huntsville AA

Lending activity in the Huntsville AA is good. Home mortgage lending activity is good, and small business lending activity is good.

In the AA, Cadence had a deposit market share of 3.10 percent, and ranked ninth among 27 depository institutions. Based on peer mortgage data, competition for home purchase lending was strong, with 179 lenders in the AA. Huntsville ranked 20<sup>th</sup> in home purchase lending, achieving a 1.68 percent market share. Home refinance lending was more competitive with 247 total lenders in the AA. Cadence ranked 34<sup>th</sup> in home refinance lending achieving a market

share of less than one percent. Cadence did not have a sufficient number of home improvement originations to allow for a meaningful analysis. These market shares and ranks are good when compared to the deposit market share, rank, and competition within the AA.

The small business lending activity is good given the bank's market share and ranking in comparison to the deposit market share and small business lending competition in the AA. Cadence ranked 23<sup>rd</sup> out of 57 total lenders for small business loans, with a market share of less than one percent. The top five lenders for small business loans consisted of the nation's largest credit card lenders who collectively controlled a majority of the market with a combined market share of 52.64 percent. Individual market shares of these national credit card banks ranged from 6.15 percent to 23.26 percent.

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

Overall, the geographic distribution of the bank's loans is adequate. Home mortgage performance was poor, and the small loans to businesses performance was good.

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

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

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

#### **Birmingham AA**

Overall, the geographic distribution of home mortgage loans is poor. According to data obtained in the 2010 and 2000 U.S. census, low-income census tracts contained 5.28 percent and 2.24 percent of the total owner-occupied housing units in the AA, respectively. Per 2010 census data, rental and vacant units accounted for 44.75 percent and 22.41 percent, respectively, of total housing units in low-income geographies. Per 2000 census data, the rental and vacant housing levels were 55.93 percent and 17.75 percent, respectively. Based on these statistics, the bank had somewhat limited opportunities to provide home mortgage loans in low-income census tracts. We considered these factors in evaluating the geographic distribution of home mortgage loans, and determined that they did not have a significant impact on conclusions.

The overall geographic distribution of home purchase loans is very poor. The bank's geographic distribution of home purchase loans during 2012 through 2014 was very poor. No loans were made in low-income geographies and the percentage of loans in moderate-income geographies was significantly below the percentage of owner-occupied units in these geographies. The bank's market share in both low- and moderate-income census tracts was also significantly below its overall market share for home purchase loans. The bank did not originate or purchase a sufficient volume of home purchase loans in 2010 through 2011 to perform a meaningful analysis.

The overall geographic distribution of home improvement loans is adequate. The bank's geographic distribution of home improvement loans during 2012 through 2014 was adequate.

The percentage of loans in low-income geographies was significantly below the percentage of owner-occupied units in these geographies. The portion of loans made in moderate-income geographies exceeded the percentage of owner-occupied units in these geographies. The bank's market share in low-income census tracts was significantly below its overall market share for home improvement loans. The bank's market share in moderate-income census tracts exceeded its overall market share for home improvement loans. However, with an overall market share of less than one percent, market share performance had a minimal impact on the 2012 through 2014 home improvement conclusion. The bank did not originate or purchase a sufficient volume of home improvement loans in 2010 through 2011 to perform a meaningful analysis.

The overall geographic distribution of home refinance loans is poor, when considering the bank's performance in 2010 through 2011. The bank's geographic distribution of home refinance loans during 2012 through 2014 was very poor. The percentage of loans in both low- and moderate-income geographies was significantly below the percentage of owner-occupied units in these geographies. The bank's market share in low-income census tracts exceeded its overall market share for home refinance loans. The bank's market share in moderate-income census tracts was significantly below its overall market share for home refinance loans. The bank's performance in 2010 through 2011 was stronger than the performance noted in 2012 through 2014; and was considered adequate. This was due to stronger performance in low-income geographies, where the percentage of loans approximated the percentage of owner-occupied units in these geographies. This performance had a positive impact on the overall home refinance conclusion.

#### Huntsville AA

Overall, the geographic distribution of home mortgage loans is adequate. The AA's LMI census tracts contain fewer owner-occupied housing units, and are primarily renter-occupied markets. According to the 2010 U.S. census, 57.12 percent of total housing units in low-income geographies and 32.15 percent of total housing units in moderate-income geographies were renter-occupied. Based on these statistics, the bank had somewhat limited opportunities to provide home mortgage loans in low-income census tracts. We considered these factors in evaluating the geographic distribution of home mortgage loans.

The overall geographic distribution of home purchase loans is adequate. The bank's geographic distribution of home purchase loans during 2012 through 2014 was adequate. The percentage of loans in low-income and moderate-income geographies was below the percentage of owner-occupied units in these geographies. Cadence's market share during the period was excellent. The bank's market share in low-income geographies exceeded the overall market share, and the market share in moderate-income geographies was near to the overall market share for home purchase loans.

Cadence did not originate a sufficient number of home improvement loans in the AA to perform a meaningful analysis.

The overall geographic distribution of home refinance loans is poor. The bank's geographic distribution of home refinance loans during 2012 through 2014 was poor. The percentage of loans in low- and moderate-income geographies was below the percentage of owner-occupied units in these geographies. Cadence did not achieve a market share in low-income

geographies. The market share in moderate-income geographies approximated the overall market share. However, with an overall market share of less than one percent, market share performance had a minimal impact on the overall home refinance conclusion.

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

Overall, the geographic distribution of small loans to businesses is good.

Refer to Table 6 in the state of Alabama section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

#### Birmingham AA

The overall geographic distribution of small loans to businesses is good. The bank's geographic distribution of small loans to businesses in 2012 through 2014 was good. The percentage of loans in low-income geographies exceeded the percentage of businesses in those geographies. The percentage of loans in moderate-income geographies was below the percentage of businesses in those geographies. The bank's market share in both low- and moderate-income census tracts exceeded the percentage of small businesses in those geographies. The bank's performance in 2010 through 2011 was stronger than the performance noted in 2012 through 2014; and was considered excellent. This was due to stronger performance in moderate-income geographies, where the percentage of loans exceeded the percentage of businesses.

#### Huntsville AA

The overall geographic distribution of small loans to businesses is good. The bank's geographic distribution of small loans to businesses in 2012 through 2014 was good. The percentage of loans in low-income geographies significantly exceeded the percentage of businesses in those geographies. The percentage of loans in moderate-income geographies was below the percentage of small businesses in those geographies. The bank's market share in low-income geographies exceeded the overall market share and approximated the market share in moderate-income geographies.

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

We reviewed summary reports and maps and analyzed the bank'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 the bank's lending is adequate. Home mortgage performance was adequate, and small loans to businesses performance was adequate.

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

The overall borrower distribution of home mortgage loans is adequate.

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

#### Birmingham AA

Overall, the borrower distribution of home mortgage loans is adequate. Per the 2010 U.S. Census 9.98 percent of the families in the AA are below the poverty level. The poverty level decreased from the 10.58 percent reflected in the 2000 U.S. census. The 2010 U.S. census indicated the average age of the housing stock in the AA was 52 years for low-income census tracts and 45 years for moderate-income census tracts. Older housing often has higher maintenance costs compared to new housing stock and frequently requires significant repairs to bring dwellings up to code requirements. These older houses are often less energy efficient, resulting in higher utility costs, which can increase homeownership costs. These additional factors and costs negatively affect the ability of LMI individuals to qualify for mortgage loans and influenced our conclusions on the bank's performance in the AA.

The overall borrower distribution of home purchase loans is adequate. The bank's borrower distribution of home purchase loans during 2012 through 2014 was adequate. The percentage of loans to low-income borrowers was below the percentage of low-income families. The percentage of loans made to moderate-income borrowers was near to the percentage of moderate-income families. The bank's market share of loans to low-income borrowers exceeded its overall market share for home purchase loans. The bank's market share of loans to moderate-income borrowers was below its overall market share for home purchase loans. The bank did not originate or purchase a sufficient volume of home purchase loans in 2010 through 2011 to perform a meaningful analysis.

The overall borrower distribution of home improvement loans is excellent. The bank's borrower distribution of home improvement loans during 2012 through 2014 was excellent. The percentage of loans to both low- and moderate-income borrowers exceeded the percentage of low- and moderate-income families. The bank's market share of loans to low-income borrowers exceeded its overall market share for home improvement loans. The bank's market share of loans to moderate-income borrowers approximated its overall market share for home improvement loans. The bank did not originate or purchase a sufficient volume of home improvement loans in 2010 through 2011 to perform a meaningful analysis.

The overall borrower distribution of home refinance loans is adequate. The bank's borrower distribution of home refinance loans during 2012 through 2014 was adequate. The percentage of loans to low-income borrowers was well below the percentage of low-income families. The percentage of loans made to moderate-income borrowers met the percentage of moderate-income families. The bank's market share of loans to both low- and moderate-income borrowers exceeded its overall market share for home refinance loans. The bank's performance in 2010 through 2011 was consistent with its performance noted in 2012 through 2014, and was considered good.

#### Huntsville AA

Overall, the borrower distribution of home mortgage loans is good. According to 2010 U.S. census data, 12.13 percent of families in the AA were below the poverty level. This was considered in our analysis of the bank's home mortgage borrower distribution performance.

The overall borrower distribution of home purchase loans is good. The bank's borrower distribution of home purchase loans during 2012 through 2014 was good. The percentage of home purchase loans to low-income borrowers in the AA was considered adequate, considering the disproportionate representation of families below the poverty line on low-income populations, and the relationship between median housing values and income. The percentage of loans to moderate-income borrowers exceeded the percentage of moderate-income families. The bank's market share during the period was excellent. The bank's market share to low-income borrowers approximated the overall market share. The bank's market share to moderate-income borrowers exceeded the overall market share.

Cadence did not originate a sufficient number of home improvement loans in the AA to perform a meaningful analysis.

The overall borrower distribution of home refinance loans is good. The bank's distribution of home refinance loans for 2012 and 2014 was good. The percentage of refinance loans to low-income borrowers was below the percentage of low-income families. The percentage of loans to moderate-income families exceeded the percentage of such families. The bank's market share to both low- and moderate-income borrowers exceeded the overall market share.

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

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

Refer to Table 11 in the state of Alabama section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to businesses.

#### Birmingham AA

The overall borrower distribution of small loans to businesses is adequate, when considering performance in 2010 through 2011. The bank's borrower distribution of small loans to businesses in 2012 through 2014 was adequate. The percentage of small loans to small businesses (businesses with gross annual revenue of \$1 million or less) was below the percentage of small businesses in the AA. The bank's market share of loans to small businesses in the AA exceeded its overall market share of loans to small businesses. The bank's performance in 2010 through 2011 was stronger than its performance in 2012 through 2014 and was excellent. The percentage of small loans to small businesses exceeded the percentage of small businesses. The bank's market share of loans to small businesses in the AA exceeded its overall market share of loans to small businesses.

#### Huntsville AA

The overall borrower distribution of small loans to businesses is good. The bank's borrower distribution of small loans to businesses in 2012 through 2014 was good. The percentage of small loans to small businesses (businesses with gross annual revenue of \$1 million or less) met the percentage of small businesses. The bank's market share of loans to small businesses exceeded the overall market share.

## Community Development Lending

Refer to Table 1 Lending Volume in the state of Alabama section of appendix D for the facts and data used to evaluate the bank's level of CD 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.

### Birmingham AA

The bank's level of CD lending has a positive impact on lending performance in the Birmingham AA. The bank originated seven loans totaling \$14.82 million representing 9.82 percent of Tier One Capital allocated to the AA. These loans exhibited good responsiveness to identified needs in the area, specifically affordable housing. Over 95.00 percent of the CD loans originated in the AA helped to create or maintain affordable housing units. In particular, the bank made a loan for \$13.5 million to an organization that is a provider of nursing home and independent and assisted living housing targeting LMI senior citizens in the AA.

### Huntsville AA

CD lending had a neutral impact on the lending test performance in the Huntsville AA, as a result of the financial constraints faced by the bank in resolving the acquisition of financially impaired institutions. The bank did not originate any CD loans in the AA during the evaluation period.

## Community Development Loans – AL Statewide

In addition to qualified CD loans originated within the bank's AAs, Cadence originated CD loans in the broader statewide area that includes the bank's AAs. The bank originated one loan totaling \$3 million in the state that serves one or more of the bank's AAs. The loan was to a nonprofit corporation that provides long-term permanent financing to housing providers targeting low- and moderate-income citizens in Alabama. Cadence is one of over 50 banking partners serving as a source of private capital to this lending consortium in an effort to leverage limited federal subsidies to communities seeking to provide affordable housing to LMI individuals.

In addition, the bank made one loan for \$4 million in the state that did not serve any of the AAs, that was considered because the banks was generally responsive to CD needs in the state. The loan was to a business located in rural, Franklin County, AL, in a distressed/underserved census tract. The business used the loan proceeds to expand its business operations.

## Product Innovation and Flexibility

Cadence offers flexible home mortgage loan programs in the state that are affordable to LMI borrowers.

- Alabama Housing Finance Authority (AHFA) Step-Up Program: The AHFA Step-Up program targets moderate-income borrowers who can afford a mortgage but need help with the down payment. AHFA offers down payment funds secured by a 10-year second

mortgage combined with a 30-year fixed rate mortgage. During the evaluation period, Cadence originated 334 loans through this program totaling \$24.13 million.

- Gateway Financial Freedom (GFF) Small Dollar Loan Program: This program is available for individuals taking part in the GFF Credit Program. GFF, affiliated with Gateway, a United Way Agency located in Birmingham, Alabama offers financial counseling, debt management services to its clients, and Cadence makes loans to participants on a referral basis. Loan amounts for the program range between \$2,000 and \$3,000, up to a maximum of \$25,000.

For information on other programs offered bank wide, refer to the summary of innovative and flexible loan programs in the Other Factors – Lending Test section for a description of products offered bank-wide.

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

Based on limited-scope reviews the bank's performance under the Lending Test in the AL non-MSA North, AL non-MSA South, Decatur MSA, and Montgomery MSA the is consistent with the overall "Low Satisfactory" performance under the Lending Test in Alabama. In the AL non-MSA Central, Florence MSA, Gadsden MSA and Tuscaloosa MSA, the bank's performance is weaker than the overall performance in the state considering weaker geographic and borrower distribution. The weaker performance did not have an impact on the overall Lending Test rating in the state. Refer to the Tables 1 through 12 in the state of Alabama section of appendix D for the facts and data that support these conclusions.

## **INVESTMENT TEST**

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

The bank's performance under the Investment Test in the state of Alabama is rated "Low Satisfactory." Based on our full-scope review, the bank's performance in the Birmingham AA was adequate and performance in the Huntsville AA was good.

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

#### Birmingham AA

The bank's investment performance in the AA is adequate. During the evaluation period, the bank made 26 investments in the AA, totaling \$5.65 million. Total investments represented 3.28 percent of allocated Tier One Capital for the AA, which is considered adequate. The bank's responsiveness to CD needs in the AA is adequate. In terms of total dollar volume, 89.29 percent of the bank's investments and grants included government sponsored mortgage-backed securities that were responsive to housing needs in the AA. In particular, Cadence invested \$5.05 million in government sponsored mortgage-backed securities with underlying mortgages originated to LMI borrowers. The bank's investment portfolio also includes a \$385,650 municipal bond issued to improve or repair eight Title I public school facilities. The balance of the bank's investments in the AA included 11 cash donations totaling \$56,321, donation of a vacant branch location valued at \$150,000, and two donations of

equipment totaling \$3,400 to CD organizations that provide services to LMI individuals and families.

### Huntsville AA

The bank's investment performance in the AA is good. During the evaluation period, Cadence made eight investments totaling \$2.9 million. We also considered the ongoing impact of investments made prior to the current evaluation period that remain outstanding totaling \$74,152. Total investments represented 8.76 percent of Tier One Capital allocated to the AA, and was considered good. The bank's responsiveness to CD needs in the AA is adequate. The investments were not innovative nor complex, but they were responsive to the need for housing in the AA. In terms of dollar volume, 100 percent of the bank's investments were in government sponsored mortgage-backed securities.

### **Investments – AL Statewide**

In addition to the CD investments that benefit the bank's AAs, Cadence made six qualified investments totaling \$1.9 million in the statewide area that includes the bank's AAs. During the evaluation period, Cadence originated three investments totaling \$1.7 million, comprised of a municipal bond, an MBS, and a cash donation, that serve one or more of the bank's AAs. In addition, the bank originated three investments totaling \$228,346, comprised of government sponsored mortgage-backed securities, that do not serve any of the bank's AAs. Although not innovative or complex, a substantial majority of these investments are responsive to the continuing need of housing statewide.

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

Based on limited-scope reviews, the bank's performance under the Investment Test in the Gadsden MSA and AL non-MSA North areas is consistent with the bank's overall "Low Satisfactory" performance under the Investment Test in Alabama. In the Decatur MSA, Florence MSA, and Montgomery MSA, the bank's performance is stronger due to a higher level of investments. In the AL non-MSA Central, AL non-MSA South, and Tuscaloosa MSA, the bank's performance is weaker than the bank's overall performance in the state due to a lower level of investments. The performance in the limited-scope AAs was not significant enough to affect the overall conclusions in the state. Refer to the Table 14 in the state of Alabama section of appendix D for the facts and data that support these conclusions.

## **SERVICE TEST**

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

The bank's performance under the Service Test in the state of Alabama is rated "Low Satisfactory." Based on our full-scope review, the bank's performance in the Birmingham MSA is adequate and its performance in the Huntsville MSA is adequate. The bank's excellent performance in providing CD services compensated for poor retail performance.

## **Retail Banking Services**

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

### Birmingham AA

The branch distribution of the bank's remaining 10 branches in the AA is poor. Branches offer limited access to geographies and individuals of different income levels in the AA. There were no branches located in low-income geographies; however, we noted a relatively small population in these areas. The percent of branches in moderate-income geographies was below the percent of population in those geographies, but the bank also operates one branch located in an upper-income geography that was within one-half mile a moderate-income geography.

Branch openings and closings adversely affected the accessibility of the bank's delivery systems to LMI geographies or individuals. Cadence closed six branches in the AA during the evaluation period due to poor financial performance. The closings included one branch in an upper-income geography, four branches in middle-income geographies and one branch in a moderate-income geography. The bank did not open any branches in the AA during the evaluation period.

The bank's branch hours and services do not vary in a way that inconveniences portions of the AA, including LMI geographies or individuals. Services and operating hours are comparable among locations regardless of the income level of the geography.

Bank management complements its traditional service delivery methods with certain alternative delivery processes such as telephone banking, mobile banking, online banking, automated teller machines (ATMs), and treasury management services. During the evaluation period, the bank installed an interactive automated teller machine (IATM) in the AA. The IATM allows customers to communicate directly with dedicated bank employees. In addition, through a partnership with the Allpoint ATM network, surcharge-free ATMs are available to customers throughout the AA. We did not place significant weight on these alternative delivery systems, because bank management did not provide metrics that quantified their effectiveness in meeting the needs of LMI individuals.

### Huntsville AA

The bank's branch distribution in the AA is adequate, considering the bank's limited presence. Branches were reasonably accessible to essentially all geographies and individuals of different income levels in the AA. There were no branches located in low-income geographies; however, we noted a relatively small population in these areas. There was one branch located in a moderate-income geography. The bank operated a branch in an upper-income geography that was located within one-half mile of a low-income geography.

Branch openings and closings adversely affected the accessibility of the bank's delivery systems to LMI geographies or individuals. During the evaluation period, Cadence closed five branches due to decreasing activity versus activity at other nearby branches. The closings

included one branch in a low-income geography, one branch in a moderate-income census tract, and three branches in middle-income tracts.

The bank's hours and services do not vary in a way that would inconvenience portions of the AA, particularly LMI individuals. Services and operating hours are comparable among locations regardless of the income level of the geography.

Bank management complements its traditional service delivery methods with certain alternative delivery processes, including online banking, mobile banking, telephone banking, ATMs, and treasury management. Through a partnership with the Allpoint ATM network, surcharge-free ATMs are available to customers throughout the AA. We did not place significant weight on these alternative delivery systems because bank management did not provide metrics that quantified their effectiveness in meeting the needs of LMI individuals.

### **Community Development Services**

The bank's performance in providing CD services was excellent. The bank's performance in the Birmingham AA is excellent, Performance in the Huntsville AA is good. CD services focused on community services and affordable housing services targeted to LMI individuals. Bank employees, some in leadership roles, participated with a variety of organizations and partnerships that benefited LMI individuals, promoted economic development, and provided affordable housing. Cadence employees also provided technical assistance on financial and banking related matters to community groups and to LMI individuals and families.

#### Birmingham AA

The bank's performance in providing CD services in the Birmingham AA is excellent. CD services focused primarily on community services, affordable housing, and economic development. Bank employees, some in leadership roles, participated in a variety of organizations and partnerships, that benefited LMI individuals, promoted economic development and provided affordable housing. Cadence employees also provided technical assistance on financial and banking related matters to numerous community groups and to LMI individuals and families.

During the evaluation period, 52 Cadence employees provided their expertise to 46 different CD organizations. Ten senior employees served a total of 752 hours as Board directors or committee members for 18 organizations. Cadence employees conducted 67 financial education seminars that included topics regarding effective savings, budgeting/money management, credit building, retail and loan product availability, and small business loan application processes.

#### Huntsville AA

The bank's performance in providing CD services in the Huntsville AA is good. Fifteen Cadence employees spent 274 hours providing their expertise to 12 different CD organizations. This represents a good level of activities, and good responsiveness to the affordable housing and financial literacy needs of the community. Many of the services focused on financial literacy. Employees gave presentations on topics such as home ownership, balancing and maintaining a checkbook, as well as fraud prevention. Two employees

demonstrated leadership serving on the Board of Directors for the Habitat for Humanity of Madison County, which provides affordable housing to LMI families.

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

Based on limited-scope reviews the bank's performance under the Service Test in the AL non-MSA Central; AL non-MSA North; AL non-MSA South; Decatur MSA, and Gadsden MSA is stronger than the bank's overall "Low Satisfactory" performance under the Service Test in Alabama. The bank's performance in the Florence MSA and Montgomery MSA areas is weaker than the overall performance in the state. The bank operates few branches in the limited scope areas. As a result, performance in those areas did not affect the bank's overall rating in the state. Refer to Table 15 in the state of Alabama section of appendix D for the facts and data that support these conclusions.

## State of Florida

<b>CRA Rating for Florida</b>	<b>Satisfactory</b>
<b>The Lending Test is rated:</b>	<b>Low Satisfactory</b>
<b>The Investment Test is rated:</b>	<b>Low Satisfactory</b>
<b>The Service Test is rated:</b>	<b>Low Satisfactory</b>

The major factors that support this rating include:

- An adequate level of lending for home mortgage loans and an excellent level of small loans to businesses;
- An overall adequate geographic distribution, with poor home mortgage loan performance, mitigated by the constraints imposed by the complete restructuring of mortgage lending operations, but excellent distribution of small loans to businesses;
- An overall adequate borrower distribution, as evidenced by adequate borrower distribution of home mortgage loans and good distribution of small loans to businesses;
- CD lending in the state had a neutral impact on the Lending Test rating as a result of the financial constraints faced by the bank;
- An adequate level of qualified investments with characteristics that demonstrated adequate responsiveness to community needs;
- A branch distribution that provided adequate access to LMI individuals and geographies, due to the limited number of branches, but that was adversely impacted by branch closures; and
- A good level of CD services that was responsive to community needs.

## Description of Institution's Operations in Florida

Cadence has seven AAs within the state of Florida. These AAs include the Sarasota MSA (Sarasota AA) comprised of Manatee and Sarasota Counties; the Tampa MSA (Tampa AA) comprised of Hillsborough, Hernando, Pasco, and Pinellas Counties; the Homosassa Springs MSA (Homosassa AA) comprised of Citrus County; the Ocala MSA (Ocala AA) comprised of Marion County; the Panama City MSA (Panama City AA) comprised of Bay and Gulf Counties; the Tallahassee MSA (Tallahassee AA) comprised of Leon County; and one non-metropolitan area, the Florida non-MSA, comprised of Calhoun, Franklin, and Jackson Counties. Cadence entered the Ocala MSA, Panama City MSA, Tallahassee MSA, Tampa MSA, and Florida non-MSA markets in November 2011 with the acquisition of Superior Bank. The Homosassa Springs MSA AA, which consists of Citrus County, was created in 2014 with the 2014 OMB changes. This county was previously designated as a non-MSA county.

The bank has 20 branches within the state, representing 24.69 percent of the bank's total branch network. Cadence opened two branches and closed nine others statewide during the evaluation period. As of December 31, 2014, Cadence has 18 ATMs within the state,

representing 20.93 percent of the total ATM network bank-wide. There are no deposit-taking ATMs in Florida. As of June 30, 2014, the bank ranked 45<sup>th</sup> in the state in deposits, representing a market share of less than one percent. The bank's statewide deposits totaled \$1.1 billion. The Tampa AA is the bank's most significant AA in the state, accounting for 46.52 percent of total bank deposits.

#### Florida non-MSA AA

Moderate competition exists for financial services within the Florida non-MSA AA. Per the June 30, 2014 FDIC Deposit Market Share Report, the bank ranked second of ten depository financial institutions in the AA, with a 14.34 percent market share and \$121 million in deposits. Competition included one large financial institution with a national footprint and several regional banks. The top five competitors, in order of their ranking, were Centennial Bank, SunTrust Bank, Regions Bank, First Federal Bank of Florida, and PeoplesSouth Bank. The five competitors controlled 63.24 percent of the deposit market share within this AA.

#### Sarasota AA

Strong competition exists for financial services within the Sarasota AA. Per the June 30, 2014 FDIC Deposit Market Share Report, the bank ranked 17<sup>th</sup> of 43 depository financial institutions in the AA, with a 1.42 percent market share and \$243 million in deposits. Competition included several large financial institutions with national footprints and numerous regional banks. The top five competitors, in order of their ranking, were Bank of America, N.A., Wells Fargo Bank, N.A., SunTrust Bank, Branch Banking and Trust Company, and Fifth Third Bank. These five competitors controlled 57.14 percent of the deposit market share within this AA.

#### Tampa AA

The banking industry is highly competitive within the Tampa AA. Per the June 30, 2014 FDIC Deposit Market Share Report, the bank ranked 17<sup>th</sup> among 66 depository financial institutions in the AA with a market share of less than one percent and \$517 million in deposits. Competition included several large financial institutions with national footprints and regional banks. The top five competitors, in order of their rankings, were Bank of America, N.A., Raymond James Bank, N.A., Wells Fargo Bank, N.A., SunTrust Bank, and Regions Bank. These competitors controlled 67.68 of the deposit market share within this AA.

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

### **Scope of Evaluation in Florida**

For the state of Florida, we completed full-scope reviews of the Florida non-MSA, Sarasota and Tampa AAs. The Homosassa Springs, Ocala, Panama City, and Tallahassee AAs received limited scope reviews. The FL non-MSA, Sarasota and Tampa AAs received full-scope reviews due to the high percentage of deposits (79.24 percent) in these areas. Ratings are based primarily on results of the full-scope areas. The Tampa AA received the most weight on final ratings because this AA had the largest percent of the bank's deposits, loans, and branches in Florida. The bank did not originate or purchase a sufficient volume of home improvement or small loans to farms in any AA in the state to perform a meaningful analysis. Refer to appendix A for more information on the Florida AAs.

## LENDING TEST

### Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Lending Test in Florida is rated "Low Satisfactory." Based on full-scope reviews, the bank's performance in the Florida non-MSA, Sarasota MSA and Tampa MSA AA is adequate.

### Lending Activity

The bank's overall lending activity in the state of Florida is adequate, considering the strong competition for all types of loans in the bank's AAs. The bank's adequate performance in originating home mortgage loans and small business loans when compared to its local competitors supports this conclusion.

Refer to Table 1 Lending Volume in the state of Florida section of appendix D for the facts and data used to evaluate the bank's lending activity.

#### Florida non-MSA

Cadence's lending activity in the Florida non-MSA AA is adequate. Home mortgage lending activity is adequate, and small business lending activity is excellent considering competition in the AA.

Based on FDIC Deposit Market Share data as of June 30, 2013, Cadence had a deposit market share of 7.49 percent and ranked sixth among 19 depository institutions. Based upon 2013 Peer Mortgage Data, Cadence had a market share of less than one percent for home purchase loans, ranking 33<sup>rd</sup> among 231 reporting lenders. For home refinance loans, the bank ranked 39<sup>th</sup> among 223 lenders, with a market share of less than one percent.

The small business lending activity is excellent given the bank's market share and ranking when compared to the deposit market share and small business lending competition within the AA. The top nine lenders for small business lending activity consisted of the nation's largest credit lenders and collectively had 86.17 percent of the market share. Cadence achieved a 1.38 percent market share, ranking 14<sup>th</sup> among 50 lenders in the AA. Individual market shares of the larger credit card lenders ranged from 3.30 percent to 25.19 percent.

#### Sarasota MSA

Cadence's lending activity in the Sarasota AA is adequate. Home mortgage lending activity is poor and small business lending activity is excellent considering strong competition in the AA. For analysis purposes, there was insufficient volume to analyze home improvement and small farms loans.

Based on FDIC Deposit Market Share data as of June 30, 2013, Cadence ranked 16<sup>th</sup> among 43 institutions in the AA, achieving 1.32 percent of the deposit market share. Based on 2013 Peer Mortgage Data, Cadence performed better than 385 reporting lenders or 79 percent, ranking 101<sup>st</sup> amongst 486 lenders originating home purchase loans. Cadence achieved market share of less than one percent in the AA. For home refinance lending, Cadence also achieved a market share of less than one percent, ranking 118<sup>th</sup> out of 415 lenders. The top

five lenders originating a refinance mortgage loan collectively accounted for 51.06 percent of activity in the AA.

The bank's market share for small business lending was less than one percent. The bank ranked 22nd among 104 lenders, equivalent to the top 25.00 percent of lenders. The top five lenders for small business lending consisted of the nation's largest banks and credit card lenders, in total, accounting for 61.86 percent of the market share. Considering the type of competition in the AA, small business lending activity is excellent.

### Tampa AA

The bank's lending activity in the Tampa AA is adequate. Home mortgage lending activity is adequate and small business lending activity is good considering the strong competition in the AA. For analysis purposes, there was insufficient volume to analyze home improvement and small farms loans.

Based upon FDIC Deposit Market Share data as of June 30, 2013, Cadence achieved a market share of deposits of less than one percent, ranking 25th amongst 67 financial institutions in the AA. Based upon 2013 Peer Mortgage Data, Cadence achieved a market share of less than one percent for home purchase loans, ranking 126<sup>th</sup> among 618 reporting lenders. The bank also achieved a market share of less than one percent for home refinance loans, ranking 148<sup>th</sup> among 510 reporting lenders. The top five lenders for refinance loans collectively held 53.41 percent of the market share.

Likewise, Cadence achieved a market share of less than one percent for small loans to businesses, ranking 28<sup>th</sup> amongst 122 reported lenders. The small business lending activity is good given the bank's market share and ranking when compared to the deposit market share and small business lending competition within the AA. The top five lenders for small business lending consisted of the nation's largest banks and credit card lenders that collectively held 63.59 percent of the market share.

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

Overall, the geographic distribution of the bank's lending is adequate. The distribution of home mortgage loans was poor. The small loans to business performance was excellent.

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

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

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

### Florida non- MSA

Overall, the geographic distribution of home mortgage loans is adequate. According to 2010 U.S. Census data, there were no low-income census tracts in the AA.

The overall geographic distribution of home purchase loans is adequate. The bank's geographic distribution of home purchase loans during 2012 through 2013 was adequate. The portion of loans made in moderate-income geographies was below the percentage of owner-occupied units in these geographies. The bank did not originate or purchase a sufficient volume of home purchase loans in 2014 to perform a meaningful analysis.

The overall geographic distribution of home refinance loans is good. The bank's geographic distribution of home refinance loans during 2012 through 2013 was good. The percentage of loans in moderate-income geographies met the percentage of owner-occupied units in these geographies. The bank did not originate or purchase a sufficient volume of home refinance loans in 2014 to perform a meaningful analysis.

#### Sarasota MSA

Overall, the geographic distribution of home mortgage loans is poor. The 2010 Census Data indicated low-income census tracts contained 1.26 percent of the owner-occupied housing in the AA. Of the total housing units in low-income tracts, rental units comprised 48.17 percent and vacant units comprised 14.61 percent. Consequently, opportunities for home mortgage lending in low-income census tracts was limited and influenced our performance conclusions in the AA.

The overall geographic distribution of home purchase loans is poor. The bank's geographic distribution of home purchase loans during 2012 through 2014 was poor. The percentage of loans in low-income geographies was below the percentage of owner-occupied units in these geographies. The portion of loans made in moderate-income geographies was well below the percentage of owner-occupied units in these geographies. The bank's market share in low-income census tracts was significantly below the overall market share for home purchase loans, while the bank's market share in moderate-income census tracts was near to its overall market share for home purchase loans. The bank did not originate or purchase a sufficient volume of home purchase loans in 2010 through 2011 to perform a meaningful analysis.

The overall geographic distribution of home refinance loans is very poor. The bank's geographic distribution of home refinance loans during 2012 through 2014 was very poor. The percentage of loans in low-income geographies was below the percentage of owner-occupied units in these geographies. The portion of loans made in moderate-income geographies was significantly below the percentage of owner-occupied units in these geographies. The bank's market share in both low-income and moderate-income census tracts was below its overall market share for home refinance loans. The bank did not originate or purchase a sufficient volume of home refinance loans in 2010 through 2011 to perform a meaningful analysis.

#### Tampa MSA

Overall, the geographic distribution of home mortgage loans is poor. According to the 2010 U.S. Census, low-income census tracts contained 3.34 percent of total housing units and 1.78 percent of total owner-occupied housing units. Of the total housing units in low-income tracts, rental units make up 51.38 percent and vacant units make up 17.35 percent, indicating limited opportunities for home mortgage lending in low-income census tracts. This illustrates the limited opportunities in low-income census tracts in the AA. Consequently, the limited opportunities influenced our conclusions on geographic distribution performance in the AA.

The overall geographic distribution of home purchase loans is poor. The bank's geographic distribution of home purchase loans during 2012 through 2014 was poor. No loans were originated in low-income geographies during 2012 through 2014. The percentage of loans in moderate-income geographies was below the percentage of owner-occupied units in these geographies. The bank's market share in low-income census tracts was significantly below the overall market share for home purchase loans. The bank's market share in moderate-income census tracts was near to its overall market share for home purchase loans.

The overall geographic distribution of home refinance loans is poor. The bank's geographic distribution of home refinance loans during 2012 through 2014 was poor. No loans were originated in low-income geographies during 2012 through 2014. The percentage of loans in moderate-income geographies was below to the percentage of owner-occupied units in these geographies. The bank's market share in low-income census tracts was significantly below the overall market share for refinance loans. The bank's market share in moderate-income census tracts exceeded its overall market share for refinance loans.

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

Overall, the geographic distribution of small loans to businesses is excellent.

Refer to Table 6 in the state of Florida section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

#### Florida non-MSA

The overall geographic distribution of small loans to business is excellent. The bank's geographic distribution of small loans to businesses in 2012 through 2013 was excellent. There were no low-income census tracts in the AA. The portion of loans in moderate-income geographies exceeded the percentage of businesses in those geographies. The bank's market share in moderate-income geographies exceeded its overall small loans to businesses market share. The bank did not originate or purchase a sufficient volume of small loans to businesses in 2014 to perform a meaningful analysis.

#### Sarasota MSA

The overall geographic distribution of small loans to businesses is excellent. The bank's geographic distribution of small loans to businesses in 2012 through 2014 was excellent. The percentage of loans made in both low- and moderate-income geographies exceeded the percentage of businesses in those geographies. Likewise, the bank's market share in low- and moderate-income census tracts exceeded its overall market share for small loans to businesses. The bank's performance in 2011 was weaker than the performance in 2012 through 2014 and was poor. In 2011, the percentage of loans in low-income geographies was significantly below the percentage of owner-occupied units in these geographies. The portion of loans made in moderate-income geographies was below the percentage of owner-occupied units in these geographies. Weaker performance did not impact our performance conclusions in the AA.

Tampa MSA

The overall geographic distribution of small loans to businesses is excellent. The bank's geographic distribution of small loans to businesses in 2012 through 2014 was excellent. The percentage of small loans made in low-income geographies approximated the percentage of businesses in those geographies. The percentage of small loans made in moderate-income geographies exceeded the percentage of businesses in those geographies. The bank's market share in both low- and moderate-income geographies exceeded its overall market share for small loans to businesses.

***Lending Gap Analysis***

We reviewed summary reports and maps, and analyzed the bank'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 the bank's lending is adequate. When performing our analysis, we considered the level of families below the poverty level in our analysis.

***Home Mortgage Loans***

The overall borrower distribution of home mortgage loans is adequate.

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

Florida non-MSA

Overall, the borrower distribution of home mortgage loans is poor. In evaluating the borrower distribution of home loans in the AA, the 2010 U.S. Census indicated that 13.57 percent of the families in the AA were below the poverty level. Additionally, relatively high median home prices in the AA compared to low-income median family incomes made it somewhat difficult for low-income borrowers to afford owner-occupied housing. These factors influenced our performance conclusions in the AA. Cadence did not originate or purchase a sufficient number of home improvement loans in the AA to perform a meaningful analysis.

The overall borrower distribution of home purchase loans is poor. The bank's borrower distribution of home purchase loans during 2012 through 2013 was poor. Cadence did not originate or purchase any home purchase loans to low-income borrowers. The percentage of loans made to moderate-income borrowers was below the percentage of moderate-income families. Cadence did not originate or purchase a sufficient number of home purchase loans in 2014 to provide for a meaningful analysis.

The overall borrower distribution of home refinance loans is poor. The bank's borrower distribution of home refinance loans during 2012 through 2013 was adequate. Cadence did not originate or purchase any home refinance loans to low-income borrowers. The percentage of loans to moderate-income borrowers approximated the percentage of moderate-income

families. The bank did not originate or purchase a sufficient number of home refinance loans in 2014 to provide for a meaningful analysis.

#### Sarasota MSA

Overall, the borrower distribution of home mortgage loans is poor. The bank did not originate or purchase a sufficient number of home improvement loans in the AA to perform a meaningful analysis.

The overall borrower distribution of home purchase loans is poor. The bank's borrower distribution of home purchase loans during 2012 through 2014 was poor. The percentage of loans to both low- and moderate-income borrowers was well below the percentage of moderate-income families. Likewise, the bank's market share of loans to low- and moderate-income borrowers significantly below the overall market share of home purchase loans. The bank did not originate a sufficient number of home purchase loans in 2011 to provide for a meaningful analysis.

The overall borrower distribution of home refinance loans is poor. The bank's borrower distribution of home refinance loans during 2012 through 2014 was poor. The percentage of loans to low-income borrowers was well below the percentage of low-income families. The percentage of loans to moderate-income borrowers was well below the percentage of moderate-income families. The bank's market share of loans to low-income borrowers exceeded its overall market share of home refinance loans. The bank's market share of loans to moderate-income borrowers was significantly below its overall market share of home refinance loans. The bank did not originate a sufficient number of home refinance loans in 2011 to provide for a meaningful analysis.

#### Tampa MSA

Overall, the borrower distribution of home mortgage loans is adequate. The bank did not originate or purchase a sufficient number of home improvement loans in the AA to perform a meaningful analysis.

The overall borrower distribution of home purchase loans is adequate. The bank's borrower distribution of home purchase loans during 2012 through 2014 was adequate. The percentage of loans to low-income borrowers was below the percentage of low-income families. The proportion of loans made to moderate-income borrowers approximated the percentage of moderate-income families. The bank's market share of loans for both low- and moderate-income borrowers exceeded its overall market share of home purchase loans. The bank's borrower distribution of home purchase loans during 2011 was consistent with performance noted in 2012 through 2014.

The overall borrower distribution of home refinance loans is poor. The bank's borrower distribution of home refinance loans during 2012 through 2014 was poor. The percentage of loans to low-income borrowers was well below the percentage of low-income families. The percentage of loans to moderate-income borrowers was significantly below the percentage of moderate-income families. The bank's market share of loans to low-income borrowers was near the overall market share of refinance loans. The bank's market share of loans to moderate-income borrowers was significantly below the overall market share of refinance

loans. The bank's performance in 2011 was consistent with performance noted during 2012 through 2014.

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

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

Refer to Table 11 in the state of Florida section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to businesses.

#### Florida non-MSA

The overall borrower distribution of small loans to businesses is good. The bank's borrower distribution of small loans to businesses in 2012 through 2013 was good. The percentage of small loans to small businesses (businesses with gross annual revenue of \$1 million or less) was below the percentage of small businesses; however, excellent market share enhanced the performance. The bank's market share of loans to small businesses exceeded its overall market share of loans to businesses. The bank did not originate or purchase a sufficient number of loans in 2014 for a meaningful analysis.

#### Sarasota MSA

The overall borrower distribution of small loans to businesses is good. The bank's borrower distribution of small loans to businesses in 2012 through 2014 was good. The percentage of small loans to small businesses (businesses with gross annual revenue of \$1 million or less) was below the percentage of small businesses. Excellent market share enhanced this level of performance. The bank's market share of loans to small businesses exceeded its overall market share of loans to businesses. The bank's performance in 2011 was consistent with the overall performance in 2012 through 2014.

#### Tampa MSA

The overall borrower distribution of small loans to businesses is good. The bank's borrower distribution of small loans to businesses in 2012 through 2014 was good. The percentage of small loans to small businesses (businesses with gross annual revenue of \$1 million or less) was below the percentage of small businesses. Excellent market share enhanced this level of performance. The bank's market share of loans to small businesses exceeded its overall market share of loans to businesses. The bank's performance in 2011 was consistent with the overall performance in 2012 through 2014.

### **Community Development Lending**

In Florida, limited CD lending had a neutral impact on the bank's overall Lending Test rating, as a result of the financial constraints faced by the bank in resolving the acquisition of financially impaired institutions.

#### Florida non-MSA AA

Cadence did not originate any CD loans in the Florida non-MSA.

Sarasota AA

The bank did not originate any CD loans in the Sarasota AA.

Tampa AA

Cadence originated one loan totaling \$985,565 in the Tampa AA. This volume represented 1.27 percent of Tier One Capital allocated to the AA.

**Product Innovation and Flexibility**

Cadence offers flexible home mortgage loan programs in the state that are affordable to LMI borrowers.

- Florida Housing Finance Corporation (FHFC) 30-year fixed and 30-year fixed Rural Development program: The FHFC 30-year fixed first mortgage is a first time homebuyer program offered to all borrowers who meet income, purchase price and other program guidelines. Borrowers who qualify automatically qualify for one of Florida Housing's down payment assistance programs. During the evaluation period, Cadence originated 12 loans totaling \$1.04 million.

For information on other programs offered bank wide, refer to the summary of innovative and flexible loan programs in the Other Factors – Lending Test section for a description of products offered bank-wide.

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

Based on limited-scope reviews the bank's performance under the Lending Test in the Homosassa Springs MSA, the Ocala MSA, the Panama City MSA, and the Tallahassee MSA AAs is weaker than the bank's overall "Low Satisfactory" performance under the Lending Test in Florida. The bank's performance is weaker than the overall performance in the state due to weaker geographic and borrower distribution. The weaker performance had no impact on the overall Lending Test rating in the state. Refer to the Tables 1 through 12 in the state of Florida section of appendix D for the facts and data that support these conclusions.

**INVESTMENT TEST****Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the Investment Test is rated "Low Satisfactory." Based on full-scope reviews, the bank's performance in the Tampa MSA is good; performance in the Sarasota MSA is adequate; and, performance in the FL non-MSA area is poor.

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

FL non-MSA AA

The bank's investment performance in the FL non-MSA is poor. Given that opportunities in rural areas are comparatively limited, Cadence had one prior period qualified investment during the evaluation period.

Sarasota AA

The bank's investment performance in the Sarasota AA is adequate. During the evaluation period, the bank made six investments in the Sarasota MSA totaling \$1.08 million. The total investment represents 2.96 percent of allocated Tier One Capital for the AA. This level of investment is adequate and the bank's responsiveness to the CD needs in the AA is adequate. In terms of dollar volume, 93.44 percent of the bank's investments and grants included government sponsored mortgage-backed securities, where the underlying mortgages were originated to LMI borrowers. Although not innovative or complex investments, these securities represent an adequate responsiveness to housing which is a critical need in the AA.

Tampa AA

The bank's investment performance in the Tampa AA is good. During the evaluation period, Cadence made eight investments in the Tampa MSA totaling \$5.1 million. The total investment represents 6.62 percent of allocated Tier One Capital for the AA. This level of investment is good. The bank's responsiveness to the CD needs in the AA is adequate. In terms of dollar volume, 99.94 percent of the bank's investments and grants included government sponsored mortgage-backed securities, where the underlying mortgages were originated to LMI borrowers. Although not innovative or complex investments, these securities represent adequate responsiveness to housing, which is a significant need in the AA.

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

Based on limited-scope reviews, the bank's performance in the Tallahassee MSA is consistent with the bank's overall "Low Satisfactory" performance under the Investment Test in Florida and is adequate. The bank's performance under the Investment Test in the Ocala MSA is weaker than the overall performance in the state and is poor. Performance in the Homosassa Springs MSA and Panama City MSA areas is weaker than the overall performance in the state and is very poor. Refer to Table 14 in the state of Florida section of appendix D for the facts and data that support these conclusions.

**SERVICE TEST****Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the Service Test in Florida is rated "Low Satisfactory." Based on full-scope reviews, the bank's performance in the Florida non-MSA, the Sarasota MSA and the Tampa MSA is adequate.

**Retail Banking Services**

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

### FL non-MSA AA

The bank's branch distribution in the AA is adequate. Branches were reasonably accessible to geographies and individuals of different income levels in the AA, however, the bank only operates three branches in non-MSA portions of the state. There were too few branches in the AA to evaluate the distribution of branches. There were no low-income census tracts at the end of the evaluation period in the AA. One branch was located in a moderate-income geography.

Branch openings and closings adversely affected the accessibility of the bank's delivery systems to all segments of the community, including LMI geographies or individuals. Cadence closed two branches in middle-income geographies during the evaluation period, due to lower deposit activity, and the bank's strategy to improve efficiency. Cadence did not open any branches during the evaluation period in the AA.

Branch hours and services do not vary in a way that inconveniences portions of the AA, particularly LMI individuals. Cadence offers comparable services and banking hours among locations regardless of the geography's income level.

Bank management complements its traditional service delivery systems with certain alternative delivery processes, including online banking, mobile banking, telephone banking and ATMs. Through partnership with the Allpoint ATM network, Cadence makes surcharge-free ATMs available to customers throughout the AA. These delivery methods provide increased access to banking services throughout all areas in the AA. However, we placed no weight on these alternative delivery systems, because the bank did not formally measure their effectiveness in meeting the needs of LMI individuals.

### Sarasota AA

The bank's branch distribution in the AA is adequate. Branches were reasonably accessible to essentially all portions of geographies and individuals of different income levels in the AA, however, the bank only operates three branches in the AA. There were too few branches in the AA to evaluate the distribution of branches. The bank only operated one branch in a moderate-income geography and none in low-income geographies.

Branch openings and closings have generally not adversely affected the accessibility of the bank's delivery systems to LMI geographies or individuals. The bank closed two branches in middle-income geographies due to its multi-year efficiency strategy in 2014. No branch openings occurred during the entire evaluation period.

The bank's hours and services offered throughout the AA do not vary in a way that inconveniences portions of the AA, particularly LMI individuals. Services offered and hours of operation are comparable among locations regardless of the geography's income level.

Bank management complements its traditional service delivery methods with certain alternative delivery processes, including online banking, mobile banking, telephone banking and ATMs. Through a partnership with the Allpoint ATM network, surcharge-free ATMs are available to customers throughout the AA. These delivery methods provide increased access to banking services throughout the AA. We placed no significant weight on these alternative

delivery systems because the bank did not formally measure their effectiveness in meeting the needs of LMI individuals.

### Tampa AA

The bank's branch distribution in the AA is adequate. Branches were reasonably accessible to essentially all portions of geographies and individuals of different income levels. Two branches were located within moderate-income geographies. The percentage of the bank's branches in moderate-income geographies was near the percentage of the population living in such geographies. No branches were located in low-income geographies. The bank operated two branches located in upper-income geographies within a half mile a one-half mile of a low- or moderate-income geography.

Branch openings and closings adversely affected the accessibility of the bank's delivery systems to LMI geographies or individuals. The bank closed two branches in 2012 and 2014 in accordance with a multi-year efficiency strategy. The branches were located in moderate- and upper-income geographies. Two of eight remaining branches are in moderate-income geographies. During 2013, the bank opened one branch located in an upper-income geography.

The bank's hours and services offered throughout the AA do not vary in a way that inconvenience portions of the AA, particularly LMI individuals. Services offered and hours of operation are comparable among locations regardless of the income level of the geography.

Bank management complements its traditional service delivery methods with certain alternative delivery processes, including online banking, mobile banking, telephone banking, and ATMs. Through a partnership with the Allpoint ATM network, surcharge free ATMs are available to customers throughout the AA. We placed no significant weight on these alternative delivery systems because the bank did not formally measure their effectiveness in meeting the needs of LMI individuals.

## **Community Development Services**

The bank's performance in providing CD services is good. In the FL non-MSA, the Sarasota MSA, and the Tampa MSA, performance is good. CD services focused on supporting CD organizations that provide services targeted to LMI geographies and individuals.

### FL non-MSA AA

The bank's performance in providing CD services in the FL non-MSA AA is good. Throughout the evaluation period, 14 employees spent 128 hours providing their expertise to 13 different CD organizations, evidencing a good level of activities and responsiveness to community needs. Cadence Bank representatives spent 43 hours conducting eight financial educational sessions and also provided financial literacy training that included LMI families and individuals. These educational sessions took place in local public schools, correctional facilities, and with community groups. Seven bank employees spent 76 hours serving as board or committee members for seven organizations that benefitted LMI individuals, promoted economic development, or provided affordable housing.

### Sarasota AA

The bank's performance in providing CD services in the Sarasota AA is good. Bank employees provided 394 service hours to LMI individuals within the AA. Five employees served as board or committee members for seven different CD organizations focused on LMI needs in the AA. Three employees facilitated three financial literacy sessions, primarily targeted to LMI youth. Another employee provided tax preparation services to LMI individuals.

### Tampa AA

The bank's performance in providing CD services in the Tampa AA is good. Bank employees provided 489 service hours to LMI individuals within the AA. Five employees served as board or committee members for five different CD organizations, focused on providing services to LMI individuals or promoting economic development. Twenty-two employees facilitated 17 financial literacy sessions to LMI youth.

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

Based on limited-scope reviews, the bank's performance under the Service Test in the Ocala MSA, Panama City MSA, and the Tallahassee MSA is consistent with the bank's overall "Low Satisfactory" performance under the Service Test in Florida. Performance in the Homosassa Springs MSA is weaker than the overall performance in the state, and is poor. The difference in performance in the area was due to weaker branch distribution, and was not significant enough to affect the bank's overall rating. Refer to Table 15 in the state of Florida section of appendix D for the facts and data that support these conclusions.

## State of Georgia

<b>CRA Rating for Georgia:</b>	<b>Needs to Improve</b>
<b>The Lending Test is rated:</b>	<b>Low Satisfactory</b>
<b>The Investment Test is rated:</b>	<b>Needs to Improve</b>
<b>The Service Test is rated:</b>	<b>Low Satisfactory</b>

The major factors that support this rating include:

- A adequate level of lending for home mortgage loans and small loans to businesses, considering the bank's limited presence and deposit market share;
- Although lending volume was very limited, the borrower distribution of loans was good based on the proportion of loans made to LMI borrowers, and to businesses and farms below the revenue thresholds;
- The lack of CD loans in Georgia had a neutral impact on lending performance as a result of the financial constraints faced by the bank;
- A poor level of qualified investments;
- Adequate branch distribution and accessibility considering the limited number of locations, adversely impacted by a branch closure; and
- An adequate level of CD services that was responsive to community needs.

## Description of Institution's Operations in Georgia

Cadence has one AA within the state of Georgia. At the end of the evaluation period, the AA consisted of Union County, a remote, underserved, non-MSA county in which the bank operated one branch and one non deposit-taking ATM. At the beginning of the evaluation period, the AA also included Fannin County, which included one branch. This branch was closed in late 2013, at which time the county was removed from the AA. The Union County branch represented 1.23 percent of the bank's total branch network. During the evaluation period, Cadence opened no branches in the AA.

The banking industry is highly competitive in Georgia. Based upon FDIC Deposit Market Share data as of June 30, 2014, Cadence Bank's deposits in Georgia totaled \$27 million representing a market share of less than one percent. The bank ranked 240 out of 259 depository institutions. Competition included large regional and local community banks. The top five depository institutions in the state included, in ranking order, SunTrust Bank, Wells Fargo Bank, N.A., Bank of America, N.A., Synovus Bank, and Branch Banking and Trust Company. Within the AA, Cadence ranked fourth among a total of four institutions for deposit market share holding 2.79 percent of total deposits. The three competitors were United Community Bank, Community & Southern Bank, and Park Sterling Bank.

Refer to the market profile for the state of Georgia in appendix C for detailed demographics and other performance context information for the AA that received full-scope reviews.

## Scope of Evaluation in Georgia

For the state of Georgia, we completed a full-scope review of the non-MSA AA, the only AA in the state. During the evaluation period, the bank did not originate or purchase a sufficient volume of home mortgage, small business or small farms loans to allow for a meaningful analysis. As a result, a quantitative analysis of loans by geographic distribution and borrower income level could not be performed. Refer to appendix A for more information on the Georgia AA.

## LENDING TEST

### Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Lending Test in Georgia is rated "Low Satisfactory." Based on full-scope reviews, the bank's performance in the Georgia non-MSA is adequate.

### Lending Activity

Refer to Table 1 Lending Volume in the state of Georgia section of appendix D for the facts and data used to evaluate the bank's lending activity.

The bank's overall lending activity in the state of Georgia is adequate. The bank's performance in originating small business and home mortgage loans is adequate, considering the bank's limited presence and deposit market share.

Based on 2013 Peer Mortgage data, Cadence Bank achieved a market share of less than one percent for home purchase loans, ranking 42 out of 129 reporting lenders. The bank achieved a 1.19 percent market share of home improvement loans, ranking 14 among 15 reporting lenders. The bank also achieved a market share of less than one percent market for home refinance loans, ranking 46 among 146 reporting lenders. Given the competition from the other reporting lenders in the AA and the bank's low rankings for each home mortgage product, mortgage loan activity was poor. Cadence Bank achieved a market share of less than one percent for small loans to businesses, ranking 14<sup>th</sup> among 31 reporting lenders. The small business lending activity was adequate given the bank's market share and ranking compared to the deposit market share and competition for small business loan originations within the AA. The top five lenders for small business loans included one large community bank and several large credit card lenders that collectively held 73.00 percent of the market share.

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

The bank's geographic distribution performance could not be evaluated as a result of the lack of LMI geographies in the AA. The AA contained no low-income census tracts during the evaluation period, and only one moderate-income census tract based on 2000 Census data. The moderate-income tract was redesignated as middle-income. The bank originated an insufficient volume of any loan product to perform a quantitative analysis of the distribution of loans.

Refer to Tables 2, 3, 4, and 5 in the state of Georgia section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases, and Table 6 for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

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

We reviewed summary reports and maps and analyzed the bank'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 bank's borrower distribution performance is adequate. Although the bank originated a limited volume of loans, five of 24 HMDA loans were made to low- or moderate-income borrowers and all 15 loans to small businesses and small farms were to businesses or farms below the revenue threshold to be categorized as small.

Refer to Tables 8, 9 and 10 in the state of Georgia section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases, and Table 11 for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to businesses.

### **Community Development Lending**

Cadence did not originate any CD loans during the evaluation period. CD lending had a negative impact on the bank's overall Lending Test rating, as a result of the financial constraints faced by the bank in resolving the acquisition of financially impaired institutions.

### **Product Innovation and Flexibility**

Refer to the description of innovative and flexible loan programs summarized in the Other Factors – Lending Test section for a description of products offered bank-wide.

## **INVESTMENT TEST**

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

The bank's performance under the Investment Test in the state of Georgia is rated "Needs to Improve." Based on a full-scope review, the bank's performance in the Georgia non-MSA AA is poor. Refer to Table 14 in the state of Georgia section of appendix D for the facts and data used to evaluate the bank's level of qualified investments.

During the evaluation period, the bank made one donation totaling \$6,250. No prior period investments remained outstanding at the end of the evaluation period. Total investments in the AA represented less than one percent of allocated Tier One Capital, reflecting poor performance.

## **SERVICE TEST**

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

The bank's performance under the Service Test in the state of Georgia is rated "Low Satisfactory." Based on a full-scope review, the bank's performance in the Georgia non-MSA is adequate.

#### **Retail Banking Services**

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

The bank's branch distribution in the Georgia non-MSA is adequate, considering the bank's presence is limited to a single branch. Branches were reasonably accessible to individuals of different income levels. At the end of the evaluation period, there were no low- or moderate-income geographies in the AA.

Branch openings and closings adversely affected the accessibility of the bank's delivery systems to LMI geographies or individuals. Cadence closed one branch in Fannin County in September 2013 as part of its multi-year efficiency strategy. The branch was located in a distressed middle-income non-metropolitan tract. The bank did not open any branches during the evaluation period.

The bank's hours and services did not inconvenience portions of the AA, particularly LMI individuals. Services and hours of operation offered throughout the AA were comparable among locations regardless of the geography income level.

Bank management complements its traditional service delivery methods with certain alternative delivery processes, including online banking and mobile banking. The bank did not operate an ATM in the AA; however, through a partnership with the Allpoint ATM network, surcharge free ATMs were available. We did not place significant weight on these alternative delivery systems, because bank management did not formally measure their effectiveness in meeting the needs of LMI individuals.

#### **Community Development Services**

Cadence Bank's performance in providing CD services is adequate. In the Georgia non-MSA, one bank employee provided 14 hours of service by serving as a board member of an affordable housing agency and providing a financial literacy workshop for a community service group.

## State of Mississippi

<b>CRA Rating for Mississippi:</b>	<b>Satisfactory</b>
<b>The Lending Test is rated:</b>	<b>Low Satisfactory</b>
<b>The Investment Test is rated:</b>	<b>Low Satisfactory</b>
<b>The Service Test is rated:</b>	<b>Low Satisfactory</b>

The major factors that support this rating include:

- An adequate level of lending, based upon a good level of lending for home mortgage loans and an excellent level of originating small loans to businesses and farms;
- An adequate geographic distribution of loans. Good small loans to business performance compensated for poor home mortgage loan performance and very poor small loans to farms performance;
- An overall adequate borrower income distribution of loans. Excellent small business loan performance and good small farm loan performance compensated for adequate home mortgage loan performance;
- A significantly positive level of CD loans that were responsive to community needs;
- A poor level of qualified investments but with characteristics that demonstrated good responsiveness to community needs;
- An branch distribution that provided adequate access to geographies and individuals with different income levels, adversely impacted by branch closures; and
- A good level of CD services that were responsive to community needs.

## Description of Institution's Operations in Mississippi

The bank has one AA within the state of Mississippi. The non-MSA AA is comprised of the following counties, in their entirety: Clay; Lowndes; Monroe; Neshoba; Oktibbeha; Webster, and Winston. This AA also included Noxubee County from the beginning of the evaluation period until 2013, when the one branch in this county was closed. Cadence has 14 branches within the state, representing 17.28 percent of the bank's total branch network. Six branches are located in LMI areas. Cadence has one deposit-taking ATM within the AA, representing 11.11 percent of the bank's total deposit taking ATM network bank wide.

Based upon the June 30, 2014 FDIC Deposit Market Share data, the bank's deposits in the state totaled \$668 million. Cadence ranked 12<sup>th</sup> in the state in deposits, achieving a 1.40 percent market share. Within the AA, the bank ranked first in deposits with an 18.53 percent market share. Competition in the AA included several regional financial institutions, including by rank order, Renasant Bank, BancorpSouth Bank, Regions Bank, and The Citizens Bank of Philadelphia, Mississippi.

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

## **Scope of Evaluation in Mississippi**

For the state of Mississippi, we completed a full-scope review of the non-MSA AA, the bank's only AA in the state. Refer to the tables in appendix A for more information on the Mississippi non-MSA AA.

## **LENDING TEST**

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

The bank's performance under the Lending Test in Mississippi is rated "Low Satisfactory." Based on full-scope reviews, the bank's performance in the Mississippi non-MSA is adequate.

### **Lending Activity**

The bank's overall lending activity in the state of Mississippi is adequate, considering the bank's presence in the AA.

Refer to Table 1 Lending Volume in the state of Mississippi section of appendix D for the facts and data used to evaluate the bank's lending activity.

FDIC Deposit Market Share data as of June 30, 2013 indicated that the bank ranked first among 18 institutions, with a 19.85 percent deposit market share. Based upon 2013 Peer Mortgage data, Cadence achieved a 1.11 percent market share of home purchase loans, ranking 15th among 105 reporting lenders. The bank achieved a 7.07 percent market share of home improvement loans, ranking sixth among 29 reporting lenders. The bank also achieved a 1.29 percent market share of home refinance loans, ranking 15th among 123 reporting lenders. Given the competition from other reporting lenders in the AA and the bank's rankings for home mortgage loans, lending activity is adequate.

Cadence achieved a 10.63 percent market share of small loans to businesses, ranking fifth among 41 reporting lenders. The bank achieved a 9.50 percent market share of small loans to farms ranking fifth among 17 reporting lenders. The small business and small farm loan activity in the AA is excellent given the bank's market share and ranking compared to the bank's deposit market share and competition for loans to small businesses and farms. The top five lenders for small business loans consisted of the nation's largest credit card lenders that collectively had 55.90 percent of the market share. For small farm loans, the top five lenders had a market share of 81.80 percent.

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

Overall, the geographic distribution of the bank's lending is adequate. A good distribution of loans to small businesses augmented poor home mortgage performance. Performance for small farms loans was very poor.

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

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

Overall, the geographic distribution of home mortgage loans is poor. In evaluating the geographic distribution of home loans in the AA, it is important to note that, according to 2010 U. S. Census data in appendix C, low-income census tracts in the AA contained approximately 650 owner-occupied housing units. Of housing in low-income geographies, rental and vacant units account for approximately 59 percent of units. Approximately 48 percent of the housing units in moderate-income geographies were rental or vacant units. There were no low-income census tracts identified in the 2000 U.S. census year. According to 2000 census data, the rental and vacant housing units in moderate-income geographies were 47 percent. These factors limited mortgage lending opportunities in the AA.

The overall geographic distribution of home purchase loans is poor. The bank's geographic distribution of home purchase loans during 2012 through 2013 was very poor. The bank made no loans in low-income geographies. The percentage of loans in moderate-income geographies was significantly below the percentage of owner occupied units in those geographies. Market share was poor. The bank's performance in 2010 through 2011 was consistent with performance noted in 2012 through 2013. Performance in 2014 was stronger than performance noted in 2012 through 2013, and positively influenced our conclusions.

The overall geographic distribution of home improvement loans is poor. The bank's geographic distribution of home improvement loans during 2012 through 2013 was poor. The bank made no loans in low-income geographies. The percentage of loans in moderate-income geographies was near to the percentage of owner-occupied units in those geographies. The bank's market share in moderate-income census tracts was below its overall market share for home improvement loans. The bank's performance in 2010 through 2011 was consistent with performance noted in 2012 through 2013. Performance in 2014 was weaker than performance noted in 2012 through 2013, and was poor, and influenced our conclusions.

The overall geographic distribution of home refinance loans is very poor. The bank's geographic distribution of home refinance loans during 2012 through 2013 was very poor. The bank made no loans in low-income geographies. The portion of loans in moderate-income geographies was significantly below the percentage of owner-occupied units in those geographies. Market share was poor. The bank's performance in 2010 through 2011, and 2014 was weaker than performance noted in 2012 through 2013, and was considered poor. Weaker performance during the evaluation period did have an impact on conclusions for home refinance loans.

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

Refer to Table 6 in the state of Mississippi section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

Overall, the geographic distribution of small loans to businesses is good. The bank's geographic distribution of small loans to businesses in 2012 through 2013 was good. The portion of loans in low-income geographies exceeded the percentage of businesses in those geographies. The portion of loans in moderate-income geographies was slightly below the percentage of small businesses in those geographies. The bank's market share in low- and moderate-income geographies exceeded its overall market share for small loans to businesses. The bank's performance in 2010 through 2011 was consistent with the performance noted in 2012 through 2013. The bank's performance in 2014 was weaker than performance noted in 2012 through 2013 and was poor, and did impact conclusions for the distribution of small loans to businesses

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

Refer to Table 7 in the state of Mississippi section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

The overall geographic distribution of small loans to farms is poor. The bank's geographic distribution of small loans to farms in 2012 through 2013 was poor. The percentage of loans in the low- and moderate-income geographies was well below the percentage of small farms in those geographies. The percent of small farms in low-income geographies was less than a quarter of a percent and did not impact the conclusions for the distribution of small loans to farms. The bank's market share in moderate-income geographies was significantly below its overall market share.

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

We reviewed summary reports analyzed the bank's home mortgage, small business and small farm 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 distribution of lending by income level of borrower is adequate.

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

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

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

The overall borrower distribution of home purchase loans is adequate. The bank's borrower distribution of home purchase loans during 2012 through 2013 was adequate. The percentage of home purchase loans to low-income borrowers was well below the percentage of such families. The portion of loans to moderate-income borrowers was near to the percentage of moderate-income families. The bank's market share of loans to low- and moderate-income families was below its overall market share of home purchase loans. The bank's performance in 2010 through 2011 and 2014 was weaker than performance in 2012 through 2013, but weaker performance did not have an impact on the overall conclusion for home purchase loans.

The overall borrower distribution of home improvement loans is good. The bank's distribution of home improvement loans during 2012 through 2013 was good. The percentage of loans to low-income borrowers was considered adequate, although it was below the percentage of low-income families. The percentage of loans to moderate-income families significantly exceeded the percentage of such families. The bank's market share of loans to low- and moderate-income borrowers exceeded its overall market share of home improvement loans. The bank's performance during 2010 through 2011 and 2014 was weaker than performance during 2012 through 2013, and was adequate, and did not impact overall conclusions for home improvement loans.

The overall borrower distribution of home refinance loans is poor. The bank's distribution of home refinance loans during 2012 through 2013 was poor. The percentage of loans to low-income families was significantly below the percentage of such families. The percentage of loans to moderate-income families was well below the percentage of such families. The bank's market share to moderate-income borrowers was well below the overall market share of home refinance loans. The bank's performance during 2010 through 2011 was stronger than the performance during 2012 through 2013, and was adequate, but this did not impact the overall conclusion for home refinance loans. The bank did not originate or purchase a sufficient volume of home refinance loans in 2014 to perform a meaningful analysis.

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

Refer to Table 11 in the state of Mississippi section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to businesses.

The overall borrower distribution of small loans to businesses is excellent. The bank's borrower distribution of small loans to businesses during 2012 through 2013 was excellent. The percentage of small loans to small businesses (businesses with gross annual revenue of \$1 million or less) exceeded the percentage of small businesses. The bank's market share of loans to small businesses exceeded its overall market share of loans to small businesses. The bank's performance during 2010 through 2011 and 2014 was consistent with the performance during 2012 through 2013 and was considered excellent.

### **Small Loans to Farms**

Refer to Table 12 in the state of Mississippi section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to farms.

The overall borrower distribution of small loans to farms is good. The bank's borrower distribution of small loans to farms during 2012 through 2013 was good. The percentage of small loans to small farms (farms with gross annual revenue of \$1 million or less) approximated the percentage of small farms. The bank's market share of loans to small farms exceeded its overall market share of loans to small farms. The bank's performance during 2010 through 2011 was stronger than the performance during 2012 through 2013, and was excellent which had an impact on the overall conclusion for the distribution of small loans to farms. During 2014, the bank did not originate or purchase a sufficient volume of small farms loans to perform meaningful analysis.

### **Community Development Lending**

Refer to Table 1 Lending Volume in the state of Mississippi section of appendix D for the facts and data used to evaluate the bank's level of CD 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.

In the Mississippi non-MSA AA, Cadence had a significantly positive level of CD loans that were responsive to community needs. Cadence Bank originated eight qualified CD loans totaling \$17.7 million during the evaluation period. This dollar volume represented 17.65 percent of allocated Tier One Capital to the AA. The loans exhibited excellent responsiveness to identified CD needs. Loans supported organizations and companies that provide community services to LMI individuals; promoted economic development, and revitalized/stabilized LMI geographies. As an example, Cadence originated an \$8.9 million line of credit to a county Industrial Development Authority in the AA for an economic development project associated with the Golden Triangle Regional (GTR) Global Industrial Aerospace Park. Cadence also originated a loan to a privately-held company to renovate a 45-unit apartment project in Macon, MS that provides housing for low- and moderate-income senior citizens.

### **Product Innovation and Flexibility**

Refer to the description of innovative and flexible loan programs summarized in the Other Factors – Lending Test section for a description of products offered bank-wide.

## **INVESTMENT TEST**

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

The bank's performance under the Investment Test in the state of Mississippi is rated "Low Satisfactory." Based on a full-scope review, the bank's performance in the Mississippi non-MSA AA is adequate, as a result of poor levels but good responsiveness of investments made.

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

During the evaluation period, the bank originated 13 investments totaling \$2.6 million. Total investments represented 2.62 percent of allocated Tier One Capital for the AA, reflecting poor performance volume. However, despite the poor volume, the bank's responsiveness to the CD needs in the AA is good. In terms of total dollar volume, 75.99 percent of the bank's investments were an equity interest in a CRA qualified investment fund. Another 15.39 percent of the bank's investments were government sponsored mortgage-backed securities where the underlying mortgages were originated to low- and moderate-income individuals. Although not innovative or complex, these securities represent good responsiveness to housing and other identified needs in the AA. The bank's investments also included a municipal bond totaling \$30,000 and seven cash donations totaling \$197,150 to CD organizations that provide services and affordable housing to LMI individuals.

### **Investments – MS Statewide**

In addition to the CD investments that benefit the full-scope AA, Cadence originated qualified investments in the state that includes the AA. During the evaluation period, Cadence originated four investments, totaling \$5.3 million that did not serve any of the bank's AAs in the state. We considered the investments because the bank was responsive to CD needs in the full-scope AA. A majority, or 98.20 percent of these investments supported housing needs in the state. The remaining balance supported community services targeted to LMI individuals and geographies.

## **SERVICE TEST**

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

The bank's performance under the Service Test in the state of Mississippi is rated "Low Satisfactory." Based on a full-scope review, the bank's performance in the Mississippi non-MSA AA is adequate.

### **Retail Banking Services**

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

The bank's branch distribution in the Mississippi non-MSA AA is adequate. Branches were reasonably accessible to essentially all geographies and individuals of different income levels. There were no branches in the one low-income census tract; however, only about 3,500 of the AA's population reside in this tract. The bank had six branches in moderate-income geographies. The percentage of branches in moderate-income census tracts exceeded the percentage of the population in moderate-income census tracts.

Branch openings and closings adversely affected the accessibility of the bank's delivery systems to LMI geographies or individuals. Cadence Bank did not open any branches during the evaluation period. The bank closed five branches as part of a multi-year efficiency strategy. Of those closing, one was in a moderate-income geography, three were in middle-income census tracts, and one was in an upper-income tract. Although one branch in a moderate-income tract was closed, the bank continues to provide access in the moderate-income tracts with its six existing branches.

The bank's branch hours and services do not vary in a way that inconvenience portions of the AA, particularly LMI individuals. Services offered and branch hours throughout the AA were comparable among locations regardless of the income level of the geography.

Bank management complements its traditional service delivery methods with certain alternative delivery processes that included online banking, mobile banking and automated teller machines (ATMs). In addition, through a partnership with the Allpoint ATM network, surcharge free ATMs were available to customers throughout the AA. We did not place significant weight on these alternative delivery systems, because management did not formally measure their effectiveness in meeting the needs of LMI individuals.

### **Community Development Services**

The bank's performance in providing CD services is good. During the evaluation period in the Mississippi non-MSA AA, 27 bank employees provided 546 hours of expertise to 35 different CD organizations. Employees spent 72.62 percent of that time serving as a Board or committee member. They spent the remainder of that time supporting CD organizations that provide financial literacy training, credit counseling, budgeting and other financial concepts to LMI individuals and students attending Title I high schools. Cadence employees held 202 hours of training throughout the evaluation period. Approximately 29.5 percent of the bank's CD service activities supported community organizations that promoted economic development and the needs of small businesses. For example, one employee donated 100 hours of service as President of an economic development entity that represented the interests of the region in Mississippi known as the Golden Triangle, which had the highest unemployment rate in the state. During his office, he assisted with contract negotiations with a new tire plant relocating to the area bringing 2,000 employees to the county. The contract helped to revitalize and stabilize a distressed and underserved rural area within the state.

## State of Tennessee

**CRA Rating for Tennessee: Satisfactory**  
**The Lending Test is rated: Needs to Improve**  
**The Investment Test is rated: Outstanding**  
**The Service Test is rated: Low Satisfactory**

The major factors that support this rating include:

- A poor level of lending, based upon very poor home mortgage loans and good small loans to businesses;
- Overall poor geographic distribution. Very poor home mortgage loan performance, mitigated by the constraints imposed by the complete restructuring of mortgage lending operations, and good small loans to businesses performance;
- An overall poor borrower income distribution. Very poor home mortgage loan performance, mitigated by the constraints imposed by the complete restructuring of mortgage lending operations, and excellent small loans to businesses performance, with strong performance in the limited scope AA;
- The lack of CD lending in the state had a neutral impact as a result of financial constraints faced by the bank;
- An excellent level of qualified investments with characteristics that demonstrated adequate responsiveness to community needs;
- A branch distribution that provided limited access to LMI individuals and geographies, impacted by branch closures that were required as a result of poor performance of the acquired institution; and
- An adequate level of CD services that were responsive to community needs.

## Description of Institution's Operations in Tennessee

Cadence has two AAs in the state of Tennessee: the Memphis MSA and the Nashville MSA. The Memphis MSA AA consists of Shelby County, and the Nashville MSA AA consists of Williamson County. The Nashville MSA AA also included Davidson County at the beginning of the evaluation period. The county was removed from the AA in December 2011 as a result of an AA reassessment. Cadence operates four branches in the state of Tennessee and closed one branch during the evaluation period. Cadence opened no branches during the evaluation period. The bank maintained a presence in the Nashville MSA during the evaluation period but sold both branches along with all associated deposits by year-end 2014. Prior to the sale, 26.68 percent of the deposits were located in the Nashville MSA, with the remaining deposits located in the Memphis MSA.

The banking industry was highly competitive in the state and included local community banks and branches of national, and regional banks. As of June 30, 2014, Cadence ranked 149<sup>th</sup> in

the state with deposits of \$117 million representing less than one percent market share. The top five competitors in the state in rank order, included Regions Bank, First Tennessee Bank, N.A., SunTrust Bank, Bank of America, N.A., and Pinnacle Bank Together, these five institutions held a 47.93 deposit market share.

Refer to the market profiles for the state of Tennessee in appendix C for detailed demographics and other performance context information for AAs that received full-scope reviews.

## **Scope of Evaluation in Tennessee**

For the state of Tennessee, we completed a full-scope review of the Memphis MSA and a limited-scope review of the Nashville MSA. Ratings are based primarily on results of the full-scope review. The Memphis MSA was selected for a full-scope review because it had the largest percentage of the bank's deposits (73.32 percent) and the largest volume of total reportable loans (81.11 percent) in Tennessee. Refer to appendix A for more information on the Tennessee AAs.

In the Memphis MSA AA, the bank originated or purchased a sufficient volume of only home refinance loans and small loans to businesses to perform a meaningful analysis. In the Nashville AA, only a sufficient volume of small loans to businesses were originated or purchased for a meaningful analysis.

## **LENDING TEST**

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

The bank's performance under the Lending Test in the state of Tennessee is rated "Needs to Improve." Based on full-scope reviews, the bank's performance in the Memphis MSA is poor.

### **Lending Activity**

Refer to Table 1 Lending Volume in the state of Tennessee section of appendix D for the facts and data used to evaluate the bank's lending activity.

Cadence Bank's lending activity in the Memphis AA is poor. Small business lending is good, considering the strong competition for loans in the AA, and home mortgage lending is poor. According to June 30, 2013 FDIC Deposit Market Share Data, the bank ranked 26<sup>th</sup> among 36 financial institutions in the AA, achieving a market share of less than one percent. Based on 2013 Peer Mortgage Data, Cadence achieved less than one percent of the market share of home refinance loans, ranking 163<sup>rd</sup> among 173 reporting lenders, and equivalent to the bottom 15 percent of all lenders. Even though competition in the AA is significant, refinance-lending activity in the AA was poor. The bank's market share for small business lending was also less than one percent. The bank ranked 20<sup>th</sup> among 70 lenders, equivalent to the top 35 percent of all lenders. The top five lenders for small business lending consisted of the nation's largest banks and credit card lenders that controlled 69.10 percent of the market share. Given the level of competition from the number of reporting lenders in the AA, small business lending activity is good.

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

Overall, the geographic distribution of the bank's lending is poor. Very poor home mortgage performance is offset by good small loans to businesses performance. The bank did not originate or purchase a sufficient number of home purchase or home improvement loans to perform a meaningful analysis.

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

Overall, the geographic distribution of home mortgage loans is very poor. Refer to Tables 2, 3, 4, and 5 in the state of Tennessee section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The overall geographic distribution of home refinance loans is very poor. During 2012 through 2013, the bank did not make any loans in the low-income geographies and loans made in the moderate-income geographies were significantly below the percentage of owner-occupied units in those geographies. The bank did not have a reportable market share in either low- or moderate-income geographies to enable analysis for either 2011 or 2012 through 2013. The bank did not originate or purchase a sufficient number of home refinance loans in 2011 to perform a meaningful analysis.

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

Overall, the geographic distribution of small loans to businesses is good. Refer to Table 6 in the state of Tennessee section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

The overall geographic distribution of small loans to business is good. The bank's geographic distribution of small loans to businesses in 2011 and during 2012 through 2013 was good. The percentage of loans made in low-income geographies was significantly below the percentage of businesses in those geographies. However, the percentage of loans made in moderate-income geographies significantly exceeded the percentage of businesses in those geographies. The bank did not have sufficient market share in either low- or moderate-income geographies to enable meaningful analysis for 2011 or 2012 through 2013.

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

We reviewed summary reports and maps, and analyzed the bank'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 the bank's lending is poor. Excellent small loans to businesses performance compensated for very poor home mortgage loan performance. The bank did not originate or purchase a sufficient number of home purchase or home improvement loans to perform a meaningful analysis.

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

The overall borrower distribution of home mortgage loans is very poor. Refer to Tables 8, 9 and 10 in the state of Tennessee section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The overall borrower distribution of home refinance loans is very poor. For 2011, the bank did not make a sufficient number of loans to enable meaningful analysis. During 2012 and 2013, lending in the low-income geographies was significantly below the percentage of low-income families. The bank did not make any loans in the moderate-income geographies. The bank did not have sufficient market share in either low- or moderate-income geographies to enable meaningful analysis for 2011 or 2012 through 2013.

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

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

Refer to Table 11 in the state of Tennessee section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to businesses.

The overall borrower distribution of small loans to businesses is excellent. The borrower distribution of small loans to businesses in 2011 and in 2012 through 2013 was excellent. The percentage of small loans to small businesses (businesses with gross annual revenue of \$1 million or less) significantly exceeded the percentage of small businesses in both periods. The bank did not have a sufficient market share in either low- or moderate-income geographies to enable meaningful analysis for 2011 or 2012 through 2013.

### **Community Development Lending**

During the evaluation period, the bank did not make any CD loans in the Memphis MSA AA. The lack of CD lending had a neutral impact on the bank's overall Lending Test rating as a result of the financial constraints faced by the bank in resolving the acquisition of financially impaired institutions.

### **Product Innovation and Flexibility**

Refer to the description of innovative and flexible loan programs summarized in the Other Factors – Lending Test section for a description of products offered bank-wide.

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

Based on limited-scope reviews, the bank's performance under the Lending Test in the Nashville MSA consistent with the bank's overall "Needs to Improve" performance under the Lending Test in Tennessee. Refer to the Tables 1 through 12 in the state of Tennessee section of appendix D for the facts and data that support these conclusions.

## **INVESTMENT TEST**

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

The bank's performance under the Investment Test in the state of Tennessee is rated "Outstanding." Based on the full-scope review, the bank's performance in the Memphis MSA is excellent.

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

During the evaluation period, Cadence Bank made five investments in the Memphis AA totaling \$2.3 million. The total investments represented 13.27 percent of allocated Tier One Capital for the AA. This level of investment is excellent. The bank's responsiveness to the CD needs in the AA is adequate. Community contacts identified affordable housing, including rental housing, as a significant credit need in the AA, along with financial education and general financial services for low- and moderate-income borrowers. In terms of total dollar volume, 96.03 percent of the bank's investments included government sponsored mortgage-backed securities, all of which were responsive to identified housing needs in the AA. Cadence also made two donations totaling \$92,589, one totaling \$60,000 to an organization that supports affordable housing initiatives and another totaling \$32,589 to an intermediary that operates a Community Development Financial Institution that revitalizes distressed neighborhoods.

### **Investments – TN Statewide**

In addition to the CD investments that benefit the bank's AAs, Cadence originated qualified investments in the state. During the evaluation period, Cadence invested \$107,286 in a government sponsored mortgage-backed security, where the underlying mortgages were to LMI individuals. The investment did not serve the bank's AAs, but is considered because the bank was responsive to CD needs in its full-scope AA.

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

Based on the limited-scope review, the bank's performance under the Investment Test in the Nashville MSA is weaker than its overall "Outstanding" performance in the state as a result of a lower level of investments. The performance in the limited-scope AA was not significant enough to affect the overall conclusions in the state. Refer to Table 14 in the state of Tennessee section of appendix D for the facts and data that supports this conclusion.

## **SERVICE TEST**

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

Cadence's performance under the Service Test in Tennessee is rated "Low Satisfactory." Based on a full-scope review, the bank's performance in the Memphis MSA AA is adequate.

## **Retail Banking Services**

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

The bank's branch distribution in the Memphis MSA is adequate, considering the limited branch presence. Branches provide limited access to portions of geographies and individuals of different income levels in the AA. There were no branches in the low- and moderate-income geographies. One of the bank's branches in a middle-income census tract is within a half mile of a moderate-income census tract in the AA, somewhat offsetting limited access.

Branch openings and closings have generally not adversely affected the accessibility of the bank's delivery systems to LMI geographies or individuals. Cadence closed one branch in an upper-income census tract during the evaluation period, due to lower activity relative to other nearby bank branches. The bank did not open any branches in the AA during the evaluation period.

The bank's hours and services do not vary in a way that inconveniences portions of the AA, particularly LMI individuals. Services offered and bank hours are comparable among locations regardless of the income level of the geography.

Bank management complements its traditional service delivery methods with certain alternative delivery processes, including online banking, mobile banking, automated teller machines (ATMs), and telephone banking. In addition through a partnership with the Allpoint ATM network, surcharge free ATMs are available to customers throughout the AA. We placed no significant weight on these alternate delivery systems, because management did not formally measure their effectiveness in meeting the needs of LMI individuals.

## **Community Development Services**

The bank's performance in providing CD services in the Memphis MSA is adequate. Eleven bank employees provided expertise to 22 different CD organizations, some in leadership roles. They provided a total of 534 service hours that supported the needs of LMI individuals and the affordable housing and financial literacy needs of the community. Two employees provided financial literacy training at a Title I high school. Another employee provided financial counseling and guidance for writing resumes to disadvantaged youth in LMI geographies. The remaining eight employees served as Board or committee members of several organizations targeting LMI individuals or geographies. One employee served as a director of an organization that assists nonprofits become financially stable. Another employee served as the co-chair of the Finance, Insurance and Real Estate division of the United Way of Greater Memphis, which provides a variety of services to LMI individuals.

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

Based on the limited-scope review, the bank's performance under the Service Test in the Nashville MSA is weaker than the bank's overall "Low Satisfactory" performance under the service test in Tennessee because the bank closed both branches in the AA. However, the

impact of the branch closures is mitigated by the fact that the bank acquired an unprofitable and unmanageable branch network. Refer to Table 15 in the Tennessee section of appendix D for the facts and data that support this conclusion.

## State of Texas

<b>CRA Rating for Texas:</b>	<b>Satisfactory</b>
<b>The Lending Test is rated:</b>	<b>Low Satisfactory</b>
<b>The Investment Test is rated:</b>	<b>Low Satisfactory</b>
<b>The Service Test is rated:</b>	<b>Low Satisfactory</b>

The major factors that support this rating include:

- An excellent level of lending for home mortgage loans and small loans to businesses;
- An overall poor geographic distribution of loans with very poor home mortgage loan performance and adequate small loans to businesses distribution was mitigated by the constraints imposed by the non-mortgage niche market lender acquired in the state;
- An overall very poor borrower income distribution, with very poor home mortgage loan performance and poor distribution of small loans to businesses was mitigated by the constraints imposed by the non-mortgage niche market lender acquired in the state;
- A significantly positive level of CD loans that were responsive to community needs;
- An adequate level of qualified investments with characteristics that demonstrated adequate responsiveness to community needs;
- A branch distribution that was reasonably accessible to essentially of the bank's AA, including LMI individuals and geographies, with limited impact from branch closures; and
- A good level of CD services that was responsive to community needs.

## Description of Institution's Operations in Texas

Cadence has two AAs within the state of Texas: the Houston-The Woodlands-Sugar Land MSA (Houston AA) comprised of Fort Bend, Harris, and Montgomery counties, and the San Antonio-New Braunfels MSA (San Antonio AA) comprised of Bexar County. Cadence entered the Texas market in September 2012 with the acquisition of Encore Bank.

The bank has fourteen branches within the state, representing 17.28 percent of total branch network bank-wide. Cadence opened one branch and closed one branch in Texas during the evaluation period. Cadence had eight deposit-taking ATMs within the AA, representing 50.00 percent of the bank's total ATMs in the area. As of June 30, 2014, the bank ranked 26<sup>th</sup> in the state with deposits of \$2.17 million representing less than one percent of the total deposit market share. The Houston AA was the bank's most significant AA in the state, accounting for 98.22 percent of deposits and 92.79 percent of total loan volume in the state.

### Houston MSA

The banking industry is highly competitive in the Houston AA and includes branches of national and regional financial institutions and local community banks. As of June 30, 2014, Cadence ranked 12<sup>th</sup> in the AA in deposits with a market share of less than one percent. The

five largest competitors in the AA, in order of their ranking, included JPMorgan Chase Bank, N.A., Wells Fargo Bank South Central, N.A., Wells Fargo Bank, N.A., Bank of America, N.A., and Compass Bank.

Consideration was given to the impact that the restructuring of the bank's entire mortgage origination function had on its performance in Texas. A complete overhaul of the support and sales teams, a rewriting of operating and underwriting policies and procedures, and development of new customers relationships in the competitive Houston market was necessary to orient the operation to a retail/community lending model. These factors hampered the bank's lending during the evaluation period.

Refer to the market profiles for the state of Texas in appendix C for detailed demographics and other performance context information for the AA that received a full-scope review.

## **Scope of Evaluation in Texas**

For the state of Texas, we completed a full-scope review of the Houston MSA. We performed a limited-scope review of the San Antonio MSA. Ratings are based primarily on results of the full-scope review. The Houston MSA was selected for a full-scope review because it had the largest percentage of deposits, loans, and branches in Texas. The Houston AA had 98.22 percent of deposits, 92.79 percent of total reportable loans, and 92.31 percent of branches in the state. Refer to appendix A for additional information on the AAs in the state.

## **LENDING TEST**

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

The bank's performance under the Lending Test in Texas is rated "Low Satisfactory." Based on a full-scope review, the bank's performance in the Houston MSA, when considering context, is adequate.

### **Lending Activity**

The bank's overall lending activity in the Houston AA is excellent, considering the strong competition for all types of loans. The bank's origination of home mortgage loans and small loans to businesses versus its local competitors supports this conclusion.

Refer to Table 1 Lending Volume in the state of Texas section of appendix D for the facts and data used to evaluate the bank's lending activity.

Based upon FDIC Deposit Market Share data as of June 30, 2013, Cadence ranked 12<sup>th</sup> among 91 institutions, achieving a deposit market share of less than one percent in the AA. Based on 2013 Peer Mortgage Data, Cadence achieved a market share of less than one percent, ranking 79 among 681 financial institutions in the AA. For home improvement lending, the bank achieved a market share of 2.54 percent, ranking seventh among 222 reporting lenders. The bank's market share for home refinance lending was less than one percent, and Cadence ranked 100<sup>th</sup> among 616 reporting lenders in the AA. The bank's market share for small loans to businesses was also less than one percent, and the bank ranked 30<sup>th</sup> among

158 lenders. The top five lenders for small loans to businesses consisted of the nation's largest credit card lenders and collectively held 68.73 percent of the market share.

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

Overall, the geographic distribution of the bank's lending is poor. Home mortgage performance was very poor, and performance of small loans to businesses was adequate.

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

Overall, the geographic distribution of home mortgage loans is very poor. Refer to Tables 2, 3, 4, and 5 in the state of Texas section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The overall geographic distribution of home purchase loans is poor. The bank's geographic distribution of home purchase loans originated during 2012 through 2014 was poor. The percentage of loans in low-income geographies was below the percentage of owner-occupied units in those geographies. The percentage of loans made in moderate-income geographies was significantly below the percentage of owner-occupied units in those geographies.

The overall distribution of home improvement loans is very poor. The percentage of loans in low-income geographies was significantly below the percentage of owner-occupied units in those geographies. The percentage of loans made in moderate-income geographies was significantly below the percentage of owner-occupied units in those geographies. The bank's market share in low-income and moderate-income census tracts was significantly below its overall market share for home improvement loans.

The overall distribution of home refinance loans was very poor. The percentage of loans in low-income geographies was significantly below the percentage of owner-occupied units in those geographies. The percentage of loans made in moderate-income geographies was significantly below the percentage of owner-occupied units in those geographies.

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

Overall, the geographic distribution of small loans to businesses is adequate. Refer to Table 6 in the state of Texas section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

The overall geographic distribution of small loans to businesses is adequate. The bank's geographic distribution of small loans to businesses in 2012 through 2014 was adequate. The percentage of loans originated in low-income geographies was below the percentage of businesses in those geographies. The percentage of loans made in moderate-income geographies was well below the distribution of businesses in those geographies.

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

We reviewed summary reports and maps, and analyzed the bank'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 bank's overall distribution of loans by income level of the borrower and to businesses of different income levels is very poor.

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

Overall, the borrower distribution of home mortgage loans is very poor. In evaluating the borrower distribution of home mortgage loans in the Houston AA, we considered the disproportionate representation of the percentage of families below the poverty level among LMI borrowers. Refer to Tables 8, 9 and 10 in the state of Texas section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The overall borrower distribution of home purchase loans is very poor. The bank's borrower distribution of home purchase loans during 2012 through 2014 was very poor. The percentage of loans made to low-income borrowers was significantly below the percentage of low-income families. The percentage of loans made to moderate-income borrowers was significantly below the percentage of moderate-income families.

The overall distribution of home improvement loans is very poor. The bank's borrower distribution of home improvement loans during 2012 through 2014 was very poor. The percentage of loans made to low-income borrowers was significantly below the percentage of low-income families. The percentage of loans made to moderate-income borrowers was significantly below the percentage of moderate-income families. The bank's market share of loans to both low- and moderate-income borrowers was significantly below its overall market share of home improvement loans.

The overall borrower distribution of home refinance loans is very poor. The bank's borrower distribution of home refinance loans during 2012 through 2014 was very poor. The percentage of loans made to low-income borrowers was significantly below the percentage of low-income families. The percentage of loans made to moderate-income borrowers was significantly below the percentage of moderate-income families.

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

The overall borrower distribution of small loans to businesses is poor. Refer to Table 11 in the state of Texas section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to businesses

The overall borrower distribution of small loans to businesses is poor. The bank's borrower distribution of small loans to businesses during 2012 through 2014 was poor. The percentage

of small loans to small businesses (businesses with gross annual revenue of \$1 million or less) was well below the percentage of small businesses.

### **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 bank's level of CD 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.

CD lending had a significantly positive impact on lending performance in the Houston AA. During the evaluation period, the bank originated 19 CD loans totaling \$83.9 million, representing 26.12 percent of Tier One Capital allocated to the Houston AA. These loans exhibited excellent responsiveness to identified needs in the AA, especially affordable housing, activities that revitalize or stabilize LMI geographies, and community services targeted to LMI individuals. Of the total CD loans, eight loans or 34.12 percent supported affordable housing initiatives. Four loans or 33.17 percent supported revitalization/stabilization projects in the AA. Additionally, 32.17 percent of the bank's CD loans were to entities that provide community services targeted to LMI individuals. Other examples of the bank's responsiveness to the community needs in the AA include:

- A \$21 million revolving credit line to assist a manufacturing entity in an industrial, moderate-income census tract to expand its business operations. Five loans totaling \$19.7 million to a community development corporation (CDC), which operates as a residential community corporation and developer of affordable, single-family housing in the AA.
- A \$10 million loan to a private equity fund that creates employment opportunities and stimulates economic growth by investing in businesses in low- and moderate-income areas.

### **Product Innovation and Flexibility**

Refer to the description of innovative and flexible loan programs summarized in the Other Factors – Lending Test section for a description of products offered bank-wide.

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

Based on the limited-scope review, the bank's performance under the Lending Test in the San Antonio AA is weaker than the bank's overall "Low Satisfactory" performance under the lending test in Texas. Refer to the Table 1 through 12 in the state of Texas section of appendix D for the facts and data that support these conclusions.

## **INVESTMENT TEST**

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

The bank's performance under the Investment Test is rated "Low Satisfactory." Based on a full-scope review, the bank's performance in the Houston MSA is adequate.

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

During the evaluation period, the bank made 24 investments in the Houston MSA totaling \$11 million. These investments represented 3.45 percent of allocated Tier One Capital for the AA. This level of investments is adequate. The bank's responsiveness to the CD needs in the AA is adequate. In terms of dollar volume, 80.37 percent of the bank's investments and grants included government sponsored mortgage-backed securities where the underlying mortgages were originated to LMI borrowers. In addition, 19.17 percent of the bank's investments included an equity interest in a CRA-qualified investment fund. Although not innovative or complex, these securities represented adequate responsiveness to the AA's need for affordable housing.

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

Based on a limited-scope review, the bank's performance under the Investment Test in the San Antonio MSA is weaker with lower investment volume than the bank's overall "Low Satisfactory" performance under the Investment Test in Texas. The performance difference in this area was not significant enough to affect the investment test rating in the state. Refer to Table 14 in the state of Texas section of appendix D for the facts and data that support this conclusion.

### **Investments – TX Statewide**

In addition to the CD investments that benefited the bank's AAs in Texas, Cadence made qualified investments at the state level that included its AAs. During the evaluation period, Cadence made one qualified investment, a mortgage-backed security, totaling \$157,989 in the statewide area that did not serve any of the bank's AAs in the state. We considered this investment because the bank was responsive to CD needs in the full scope AA.

## **SERVICE TEST**

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

The bank's performance under the Service Test in Texas is rated "Low Satisfactory." Based on a full scope review, the bank's performance in the Houston MSA is adequate.

## **Retail Banking Services**

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

The bank's branch distribution in the Houston MSA is adequate, when considering context. Branches were accessible to limited geographies and individuals of different income levels. No branches were located in low- or moderate-income geographies. All twelve branches in the Houston AA were in upper-income census tracts. However, these factors are mitigated because the location of over 80% of the branches was predicated on the acquisition of Encore Bank. Further, 80% of the branches were located on major thoroughfares, located proximate to public transportation or located in census tracts contiguous to or within two miles of a LMI census tract.

Branch openings and closings have generally not adversely affected the accessibility of the bank's delivery systems to LMI geographies or individuals. During the evaluation period, Cadence opened one branch in an upper-income geography in the AA. No branches were closed during the evaluation period.

The bank's branch hours and services do not vary in a way that inconvenience portions of the AA. Services offered and bank hours throughout the AA are comparable among locations regardless of the income level of the geography.

Bank management complements its traditional service delivery methods with certain alternative delivery processes, such as online banking, telephone banking, mobile banking; ATMs; and treasury management services. In addition, through a partnership with the Allpoint ATM network, surcharge free ATMs are available to customers throughout the AA. We placed no weight on these alternative delivery systems because management did not formally measure their effectiveness in meeting the needs of LMI individuals.

## **Community Development Services**

The bank's performance in providing CD services in the Houston AA was good. In the AA, 70 bank employees provided 1,039 hours of expertise to 47 different organizations throughout the evaluation period. Of the total hours, employees spent 38.71 percent serving as a Board or committee member. Approximately 91.49 percent of the service hours supported CD organizations that provide financial literacy training, credit counseling, and budgeting to LMI individuals and other financial concepts to students attending Title I high schools. Within these organizations, Cadence employees spent 425 hours providing 52 educational sessions throughout the evaluation period. Approximately 6.38 percent of the bank's CD service activities supported organizations promoting economic development and the needs of small businesses. For example, one employee served as an advisory board member of a Small Business Investment Company. Another employee served as a board member of an organization that promotes credit availability and finances affordable housing development. As a board member, that employee served on a committee that was developing a small business survey to identify obstacles small businesses face to obtain financing. Financial institutions will use the survey results to help them develop new and enhanced small business loan products.

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

Based on the limited-scope review, the bank's performance under the Service Test in the San Antonio MSA is weaker than the bank's overall "Low Satisfactory" performance under the Service Test in Texas. The bank has limited presence in the AA through a single branch. Refer to Table 15 in the Texas section of appendix D for the facts and data that support this conclusion.

## Appendix A: Scope of Evaluation

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

<b>Time Period Reviewed</b>	Lending Test (excludes CD loans): 01/01/2010 to 12/31/2014: Birmingham MSA, Tuscaloosa MSA, Sarasota MSA, GA non-MSA, MS non-MSA, Memphis MSA & Nashville MSA 01/01/2012 to 12/31/2014: Huntsville MSA, AL non-MSA Central, AL non-MSA North, AL non-MSA South, Decatur MSA, Florence MSA, Gadsden MSA, Montgomery MSA, FL non-MSA, Tampa MSA, Ocala MSA, Panama city MSA & Tallahassee MSA 09/14/2012 to 12/31/2014: Houston MSA and San Antonio MSA 01/01/2014 to 12/31/2014: Homosassa Springs MSA  Investment, Service Tests and CD Loans: 09/14/2010 to 12/31/2014: Tuscaloosa MSA, Sarasota MSA, GA non-MSA, MS non-MSA, Memphis MSA & Nashville MSA 11/11/2012 to 12/31/2014: With the exception of the Tuscaloosa, Homosassa Springs MSA, and Sarasota MSAs, all MSAs within the states of Alabama and Florida 09/14/2012 to 12/31/2014: Houston MSA and San Antonio MSA 01/01/2014 to 12/31/2014: Homosassa Springs MSA	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
Cadence Bank, N.A. (Cadence) Birmingham, AL	Home Purchase; Home Improvement; Home Refinance; Multifamily; Small Business; Small Farm; Community Development loans; Qualified Investments; Community Development Services	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
NA		
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
<u>Alabama</u> Birmingham-Hoover MSA	Full-Scope Review	Blount, Jefferson and Shelby Counties* *AA also included Bibb, Chilton, St. Clair, and Walker Counties in 2010 through 2011.
Huntsville MSA	Full-Scope Review	Limestone and Madison Counties
Decatur MSA	Limited-Scope Review	Morgan County
Florence-Muscle Shoals MSA	Limited-Scope Review	Lauderdale County
Gadsden MSA	Limited-Scope Review	Etowah County
Montgomery MSA	Limited-Scope Review	Montgomery County
Tuscaloosa MSA	Limited-Scope Review	Tuscaloosa County

AL Non-MSA Central	Limited-Scope Review	Talladega County
AL Non-MSA North	Limited-Scope Review	Marshall County** **AA also included Marion and Winston Counties in 2012 through 2013.
AL Non-MSA South	Limited-Scope Review	Covington, Monroe and Perry Counties
<u>Florida</u>		
FL Non-MSA	Full-Scope Review	Calhoun, Franklin and Jackson Counties*** ***AA also included Citrus, Gulf, and Liberty Counties in 2012 through 2013.
North Port-Bradenton-Sarasota MSA	Full-Scope Review	Manatee and Sarasota Counties
Tampa-St. Petersburg-Clearwater MSA	Full-Scope Review	Hillsborough, Hernando, Pasco and Pinellas Counties
Homosassa Springs MSA	Limited-Scope Review	Citrus County
Ocala MSA	Limited-Scope Review	Marion County
Panama City-Lynn Haven-Panama City Beach MSA	Limited-Scope Review	Bay and Gulf Counties^ ^AA included only Bay County in 2012 through 2013.
Tallahassee MSA	Limited-Scope Review	Leon County
<u>Georgia</u>		
GA Non-MSA	Full-Scope Review	Union County^^ ^^AA also included Fannin County in 2010 through 2013.
<u>Mississippi</u>		
MS Non-MSA	Full-Scope Review	Clay, Lowndes, Monroe, Neshoba, Oktibbeha, Webster and Winston Counties^^ ^^AA also included Noxubee County in 2010 through 2013.
<u>Tennessee</u>		
Memphis, TN-MS-AR MSA	Full-Scope Review	Shelby County
Nashville-Davidson-Murfreesboro-Franklin MSA	Limited-Scope Review	Williamson County^^^ ^^^AA also included Davidson County in 2010 through 2011.
<u>Texas</u>		
Houston-The Woodlands-Sugar Land MSA	Full-Scope Review	Fort Bend, Harris and Montgomery County
San Antonio-New Braunfels MSA	Limited-Scope Review	Bexar County

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

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Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State/Multistate Rating
Cadence Bank, N.A.	Low Satisfactory	Low Satisfactory	Low Satisfactory	Satisfactory
State:				
Alabama	Low Satisfactory	Low Satisfactory	Low Satisfactory	Satisfactory
Florida	Low Satisfactory	Low Satisfactory	Low Satisfactory	Satisfactory
Georgia	Low Satisfactory	Needs to Improve	Low Satisfactory	Needs to Improve
Mississippi	Low Satisfactory	Low Satisfactory	Low Satisfactory	Satisfactory
Tennessee	Needs to Improve	Outstanding	Low Satisfactory	Satisfactory
Texas	Low Satisfactory	Low Satisfactory	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

### State of Alabama

#### Birmingham-Hoover MSA

Demographic Information for Full Scope Area: Birmingham-Hoover MSA 2000 Census						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	226	7.08	28.76	37.61	26.55	0.00
Population by Geography	1,052,238	5.09	25.37	39.85	29.69	0.00
Owner-Occupied Housing by Geography	296,707	2.24	22.80	42.47	32.49	0.00
Business by Geography	108,030	7.35	16.15	37.86	38.64	0.00
Farms by Geography	2,189	2.42	15.90	47.78	33.90	0.00
Family Distribution by Income Level	288,891	21.70	17.49	20.37	40.44	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	113,203	8.70	36.34	41.25	13.71	0.00
Median Family Income HUD Adjusted Median Family Income for 2011 Households Below Poverty Level		46,408 62,000 14%	Median Housing Value Unemployment Rate (2000 US Census)		100,104 2.65%	

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2000 US Census and 2011 HUD updated MFI

Demographic Information for Full Scope Area: Birmingham-Hoover MSA 2010 Census						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	220	11.36	22.27	33.64	32.27	0.45
Population by Geography	910,873	8.52	17.82	35.42	38.24	0.00
Owner-Occupied Housing by Geography	248,678	5.28	15.00	37.31	42.42	0.00
Business by Geography	63,110	8.72	16.32	31.22	43.74	0.01
Farms by Geography	1,417	3.46	16.23	36.34	43.90	0.07
Family Distribution by Income Level	235,693	21.11	16.55	19.16	43.18	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	88,759	15.71	28.48	37.08	18.73	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2014 Households Below Poverty Level		59,532 61,000 13%	Median Housing Value Unemployment Rate (2010 US Census)		168,218 4.00%	

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2010 US Census and 2014 FFIEC updated MFI

The Birmingham-Hoover MSA AA (Birmingham AA) is located in Central Alabama. At the beginning of the evaluation period, the Birmingham AA consisted of seven contiguous

counties: Bibb, Blount, Chilton, Jefferson, St. Clair, Shelby, and Walker. However, the current AA consists of only three counties: Blount, Jefferson, and Shelby. The change in AA occurred during 2012 as a result of the bank reassessing its AA boundaries. The AA population decreased by 141,365 or 13.43 percent between census years 2000 and 2010. The Birmingham AA includes the city of Birmingham, which is the county seat of Jefferson County and the state of Alabama's most populated city. Jefferson County has a population of 658,466 and a total of 163 CTs, of which 25 are low-income, 44 are moderate-income, 53 are middle-income, and 41 are upper-income. Jefferson County's LMI geographies represent 42.33 percent of its total CTs. The AA meets the requirements of the CRA regulation and does not arbitrarily exclude any area, particularly LMI geographies.

The 2014 FFIEC Updated Median Family Income (MFI) was \$61,000 representing a 1.61 percent decrease compared to the 2011 MFI of \$62,000. The number of LMI families decreased from 2011 to 2014. According to the U.S. Census data, low-income families decreased from 21.70 percent in census year 2000 to 21.11 percent in census year 2010, or 2.72 percent. The number of moderate-income families also decreased over the same time-period, from 17.49 percent in census year 2000 to 16.55 percent in census year 2010, or 5.37 percent. U. S. census data reflects that families living below the poverty level decreased to 9.98 percent in the 2010 census year from 10.58 percent in the 2000 census year or 0.60 percent.

Strong competition exists for financial services within the Birmingham AA. Per the June 30, 2014 FDIC Deposit Market Share Report, the bank ranked sixth among 38 depository financial institutions in the AA, with a 3.27 percent market share. Competition included a large nationwide institution and several regional banks. The top five competitors, in order of their ranking, were Regions Bank, Compass Bank, Wells Fargo Bank, N.A, ServisFirst Bank, and Synovus Bank. These competitors controlled 77.24 percent of the deposit market share in the AA. The competition maintained 147 offices in the AA. As of December 31, 2014, Cadence Bank had 10 branches in the AA. The bank supplements its branch network with 11 Automated Teller Machines (ATM). None are deposit-taking ATMS. The bank's deposits in the Birmingham AA as of June 30, 2014, totaled 1 billion, representing 57.51 percent of its total deposits in the state of Alabama.

### Employment and Economic Factors

The economic condition of the AA improved over the evaluation period. According to the U.S. Bureau of Labor Statistics (<http://beta.bls.gov>), unemployment rates for the AA reduced from 7.00 percent as of December 2011 to 4.80 percent as of December 2014. As of December 2014, the Alabama and nationwide unemployment rates were 6.10 percent and 5.60 percent, respectively. According to the March 2015, Moody's Analytics report, a significant number (48,357) of the AA's workforce was employed in the fields of education and health services as of December 2014. Beyond education and health services, the AA is home to several major industries including banking, retail and utilities. The top five employers in the AA are the University of Alabama at Birmingham, Regions Bank, AT&T, St. Vincent's Hospital, and Children's Health System. These five companies employed 45,559 persons as of year-end 2014. Per the Moody's Analytics report, one of the AA's strengths is its emerging role as a regional financial and commercial hub, and one of its weaknesses is that competing metro areas are less expensive for businesses.

### Housing

The number of housing units is relatively lower in LMI geographies than in middle- and upper-income geographies. According to the 2010 U.S. Census, 9.93 percent of owner-occupied units were located in low-income census tracts, which is higher than the 5.56 percent reported in the 2000 U.S. Census. Occupied rental units comprised 44.75 percent and vacant units comprised 22.41 percent of the total housing units in low-income geographies. The number of occupied rental units decreased and the number of vacant units increased since the 2000 U.S. Census, which reflected 55.93 percent occupied rentals and 17.75 percent vacant units. According to 2010 U.S. Census data, occupied rental units comprised 35.93 percent and vacant units comprised 18.09 of total housing units in moderate-income geographies. Occupied and vacant rental units in moderate-income geographies increased when compared to 2000 U.S. Census data.

According to the Federal Housing Finance Authority report ([www.fhfa.gov](http://www.fhfa.gov)) the median housing price for the AA was \$165,960 at year-end 2014. This is slightly higher than \$157,928, the median housing price evidenced at the beginning of the evaluation period.

According to the 2010 U.S. Census, the median age of housing stock was higher in LMI geographies than middle- and upper-income geographies. The median age of housing in low- and moderate-income geographies was 52 years and 45 years, respectively. The median housing age in middle- and upper income geographies was much lower at 33 years and 25 years, respectively. Due to the older age of housing stock in LMI geographies, we expect higher average maintenance costs, making it more difficult for LMI individuals to afford owner-occupied housing in LMI geographies.

### Community Contact

Information from two community contacts conducted in the AA were reviewed and considered as part of this evaluation. Both organizations were community development organizations in the AA. These contacts identified the following community and credit needs in the AA: affordable housing, small business development loans, financial literacy education, and after school programs targeted to LMI children.

## Huntsville MSA

Demographic Information for Full Scope Area: Huntsville MSA 2010 Census						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	89	12.36	29.21	32.58	25.84	0.00
Population by Geography	417,593	8.34	25.71	36.81	29.14	0.00
Owner-Occupied Housing by Geography	112,302	3.59	23.58	39.46	33.38	0.00
Business by Geography	28,889	10.11	25.20	33.92	30.77	0.00
Farms by Geography	1,041	4.71	24.50	48.80	22.00	0.00
Family Distribution by Income Level	105,658	22.84	16.80	18.52	41.84	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	41,883	13.38	36.83	36.14	13.65	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2014 Households Below Poverty Level		67,829 69,700 12%	Median Housing Value Unemployment Rate (2010 US Census)	147,330 3.92%		

The Huntsville MSA (Huntsville AA) is located in northern Alabama and is comprised entirely of Limestone and Madison counties. This AA was created in November 2011 with the acquisition of Superior Bank. Limestone County was created in February 1818 and was originally part of the Mississippi Territory. Athens is the county seat, but portions of the cities of Decatur, Huntsville, and Madison extend into the area. Madison County was established in December 1808, is recognized as the “birthplace” of Alabama and includes the cities of Huntsville, Madison, and New Hope. Huntsville is the county seat. Low- and moderate-income (LMI) geographies account for 41.57 percent of the census tracts in the AA based on the 2010 U.S. Census. The Huntsville AA meets the requirements of the CRA regulation and does not arbitrarily exclude any area, particularly LMI geographies.

According to the 2010 U.S. Census, the total population of the AA was 417,593. The distribution of families by income level was 22.84 percent low-income, 16.80 percent moderate-income, 18.52 percent middle-income, and 41.84 percent upper-income. According to the U.S. Census American Factfinder website ([factfinder2.census.gov](http://factfinder2.census.gov)), the AA population grew by 75,217, or 21.97 percent, between census years 2000 and 2010. The U.S. Census American Factfinder data indicates continued moderate growth through year-end 2014 of 23,493, or 5.63 percent.

The FFIEC Adjusted Median Family Income for 2014 was \$69,700. U. S. Census data reflects a moderate percentage of families in the AA (8.98 percent) lived below the poverty level. Relative to low-income geographies, 23.94 percent of the families lived below the poverty level. Relative to moderate-income geographies, 38.93 percent of the families lived below the poverty level.

Strong competition exists for financial services within the Huntsville AA. Per the June 30, 2014 FDIC Deposit Market Share Report, the bank ranked ninth among 27 depository financial institutions in the AA and had a 3.27 percent market share. Competition included large regional banks and nationwide institutions. The top five competitors, in rank order were Regions Bank,

Compass Bank, ServisFirst Bank, Wells Fargo Bank, N.A., and Branch Banking and Trust Company. These competitors controlled 63.82 percent of the deposit share within this AA and maintained 47 of the 122 offices. Cadence Bank had five full service branches in the AA as of the end of the evaluation period. The bank supplemented its branch network with five ATMs. None are deposit-taking ATMs. Its deposits in the Huntsville MSA as of June 30, 2014, totaled \$221 million, representing 12.69 percent of total Cadence Bank deposits in the state of Alabama.

### Employment and Economic Factors

According to the U.S. Bureau of Labor Statistics (<http://beta.bls.gov>), unemployment in the Huntsville AA improved to 5.00 percent by December 2014, and was below the 5.60 percent national average. Unemployment in the state of Alabama fell from 8.1 percent in January 2012 to 6.1 percent in December 2014.

The largest industries in the AA include government, healthcare, education services, retail, and manufacturing. The top five employers in Limestone County are the Tennessee Valley Authority, Steelecase, Inc., Limestone County Schools, and Athens Limestone Hospital. The United States Army is the top employer in Madison County, followed by National Aeronautics and Space Administration, Huntsville Hospital, Huntsville City Schools, and The Boeing Company.

### Housing

Limited opportunities exist for home mortgage lending in LMI geographies and to LMI families due to a low inventory of owner-occupied housing units, the advanced age of housing stock, high median housing prices versus the adjusted median family income, high unemployment, and a high (12.13 percent) poverty rate. According to the 2010 U.S. Census, owner-occupied housing represented 64.20 percent of the total housing units. Rental units represented 57.12 percent of the total housing units in low-income geographies and 32.15 percent of the total housing units in moderate-income geographies.

According to the Federal Housing Finance Agency ([fhfa.gov](http://fhfa.gov)), the median housing value for the AA remained relatively unchanged during the evaluation period, with a \$162,000 median value in 2012 and 2014. According to the 2010 U.S. Census, the median housing age in the AA was 28 years. The median age of housing stock was 41 years in low-income geographies and 33 years in moderate-income geographies. Older housing typically has higher maintenance costs, making it more difficult for LMI borrowers to afford housing in LMI geographies.

### Community Contact

During the evaluation period, we contacted one organization in the AA to identify CD opportunities specific to this AA. The organization focuses on affordable housing for low-income families and actively seeks bank financing for home constructions and minor exterior repairs to existing homes. The contact stated that rather than loans, there is a need for financial institutions to provide financial literacy classes, homebuyer counseling, and grants or donations to nonprofit agencies and other community development organizations to support programs and services provided to their clients.

## State of Florida

### Florida non-MSA

Demographic Information for Full Scope Area: FL non-MSA 2010 Census						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	51	0.00	11.76	72.55	13.73	1.96
Population by Geography	241,384	0.00	14.52	71.46	14.02	0.00
Owner-Occupied Housing by Geography	75,943	0.00	11.34	73.66	15.00	0.00
Business by Geography	26,318	0.00	12.58	73.53	13.89	0.00
Farms by Geography	1,333	0.00	12.23	71.79	15.98	0.00
Family Distribution by Income Level	62,639	18.98	19.35	21.63	40.05	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	24,007	0.00	17.89	72.45	9.65	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2014 Households Below Poverty Level		48,065 50,474 15%	Median Housing Value Unemployment Rate (2010 US Census)		144,970 4.24%	

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2010 US Census and 2014 FFIEC updated MFI

Demographic Information for Full Scope Area: FL non-MSA 2014 OMB Changes						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	19	0.00	10.53	73.68	10.53	5.26
Population by Geography	75,920	0.00	17.80	69.74	12.46	0.00
Owner-Occupied Housing by Geography	19,542	0.00	14.73	71.95	13.52	0.00
Business by Geography	6,076	0.00	19.26	68.80	11.95	0.00
Farms by Geography	467	0.00	10.06	76.66	13.28	0.00
Family Distribution by Income Level	17,659	20.17	17.56	21.95	40.32	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	6,662	0.00	22.25	69.63	8.12	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2014 Households Below Poverty Level		46,196 48,700 19%	Median Housing Value Unemployment Rate (2010 US Census)		139,231 3.33%	

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2010 US Census and 2014 FFIEC updated MFI

The Florida Non-MSA AA is located in the state's north central panhandle and consists of three non-MSA counties: Franklin, Jackson, and Calhoun. Franklin County borders the Gulf of Mexico. Jackson County shares a border with Alabama and Georgia on the north side. Calhoun County is south of Jackson County. Citrus, Gulf, and Liberty Counties were included in the AA prior to the 2014 OMB changes and branch closures in Liberty County. Due to the 2014

OMB changes, Gulf County became part of the Panama City-Lynn Haven MSA, and Citrus County became the new Homosassa Springs MSA. With the branch closures in Liberty County, the county was removed from the AA at year-end 2013. The AA meets the requirements of the CRA regulation and does not arbitrarily exclude any areas, particularly LMI geographies.

According to the 2010 U.S. Census data, the AA's total population of 241,384. Due to the 2014 OMB MSA changes, and the removal of Liberty County, the AA's total population decreased to 75,920. Jackson County alone contained 49,746 or 65.52 percent of the total population. The distribution of families by income level remained relatively unchanged with 20.17 percent low-income, 17.56 percent moderate-income, 21.95 percent middle-income, and 40.32 percent upper-income.

Moderate competition exists for financial services within the AA. Per the June 30, 2013 FDIC Deposit Market Share Report, with a 7.49 percent market share the bank ranked sixth among 19 depository financial institutions. Per the June 30, 2014 FDIC Deposit Market Share Report, with a 14.34 percent market share, the bank ranked second among 10 depository financial institutions. The bank's closest competitor achieved a 22.52 percent market share. The top five institutions controlled 68.65 percent of the AA's deposit share. Competition included large nationwide banks, regional banks, and community banks. In the aggregate, competitors of the bank maintained 20 offices in the AA, and as of December 31, 2014 Cadence Bank operated three full-service branches. The bank's deposits in the FL non-MSA AA as of June 14, 2014, totaled \$121 million, representing 10.88 percent of total Cadence Bank deposits in the state of Florida.

### Employment and Economic Factors

AA unemployment rates improved during the evaluation period, but remain higher than the national average. According to the U. S. Bureau of Labor Statistics (<http://beta.bls.gov>), unemployment rates for the AA improved from 8.3 percent at year-end 2012 to 6.1 percent at year-end 2014. For the state of Florida and nationwide year-end 2014 unemployment rates were 5.7 percent and 5.6 percent, respectively.

According the 2010 U.S. Census, the percentage of families in the AA living below the poverty level is high and increased from 11.16 percent in 2013 to 13.57 percent in 2014. Moderate-income geographies accounted for 10.53 percent of the AA's census tracts. Approximately 23.70 percent of families in moderate-income geographies lived below the poverty level.

The largest industries in the AA included construction; trade, transportation and utilities; and leisure and hospitality. Rex Lumber, Anderson Columbia, Green Circle BioEnergy, and Mowery Elevator Company are the major employers.

### Housing

The AA changes between 2013 and 2014 created significant shifts in the AA's housing data. The 2010 U.S. Census data indicated owner-occupied housing units decreased from 61.15 percent to 55.25 percent and rental occupied units increased from 14.91 to 18.91 percent. Vacant units remained stable at approximately 25 percent. Only 15.79 percent of total housing units were in LMI geographies. Of the total units within the LMI geographies, owner-occupied

units represented 51.51 percent, occupied rental units represented 26.33 percent, and vacant units represented 22.16 percent.

Home ownership in the AA is difficult due to a families below the poverty rate of 13.57 percent and relatively high median home prices compared to median family incomes. According to the Federal Housing Finance Authority report ([www.fhfa.gov](http://www.fhfa.gov)) the median home prices increased from \$200,000 in 2012 to \$211,000 in 2014. With a median housing value of \$211,000, and a median family income of \$48,700 (maximum \$24,350 for low-income families), housing affordability is somewhat difficult for low-income borrowers.

### Community Contact

We contacted one community organization to identify CD opportunities specific to this AA. The organization provides health services to low-income individuals and individuals below the poverty level who have inadequate housing. The organization stated that community needs include affordable housing loans and increased employment opportunities. To fill increased employment opportunities, individuals need guidance for obtaining a high school diploma or equivalent and on-the-job training.

**North Point – Brandenton – Sarasota MSA**

Demographic Information for Full Scope Area: North Point-Bradenton-Sarasota MSA 2000 Census						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	143	0.70	21.68	53.85	23.78	0.00
Population by Geography	589,959	0.67	25.18	52.01	22.14	0.00
Owner-Occupied Housing by Geography	201,474	0.30	20.46	54.68	24.56	0.00
Business by Geography	116,693	0.33	17.43	51.34	30.90	0.00
Farms by Geography	2,919	0.31	16.79	56.01	26.89	0.00
Family Distribution by Income Level	169,248	17.71	19.64	23.60	39.06	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	63,209	0.98	35.28	50.96	12.78	0.00
Median Family Income HUD Adjusted Median Family Income for 2011 Households Below Poverty Level		48,550 59,100 8%	Median Housing Value Unemployment Rate (2000 US Census)		126,784 1.58%	

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2000 US Census and 2011 HUD updated MFI

Demographic Information for Full Scope Area: North Point-Bradenton-Sarasota MSA 2010 Census						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	172	2.33	24.42	45.35	27.91	0.00
Population by Geography	702,281	2.67	23.45	46.77	27.11	0.00
Owner-Occupied Housing by Geography	228,050	1.26	20.07	48.99	29.68	0.00
Business by Geography	95,615	1.60	20.31	43.00	35.09	0.00
Farms by Geography	2,604	1.61	18.01	47.35	33.03	0.00
Family Distribution by Income Level	188,229	19.55	19.05	20.92	40.47	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	72,663	4.42	32.53	46.69	16.36	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2014 Households Below Poverty Level		60,626 57,300 10%	Median Housing Value Unemployment Rate (2010 US Census)		266,801 4.10%	

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2010 US Census and 2014 FEIC updated MFI

The Sarasota MSA AA (Sarasota AA) is comprised of Manatee and Sarasota Counties located on the southwestern coast of Florida. Sarasota is the principal city in the MSA and the county seat. The number of census tracts within the AA increased by 29 from the 2000 census year to the 2010 census year, with a 200 percent increase in low-income tracts, and a 12.64 percent increase in moderate-income census tracts. LMI tracts represented 22.38 percent of the 143 census tracts within the AA in the 2000 census year. During the 2010 census year, LMI census tract concentrations increased to 26.75 percent. The AA includes the entire MSA, meets the

requirements of the CRA regulation and does not arbitrarily exclude any area, particularly LMI geographies.

According to the 2000 U.S. Census, the AA's total population was 589,959. The population increased 19.04 percent during the 2010 census year. The AA accounts for 3.74 percent of the state of Florida's population. Sarasota is Florida's 14<sup>th</sup> most populous county with 379,448 individuals. Manatee is 16<sup>th</sup>, with 322,833 individuals.

The 2014 FFIEC Updated MFI was \$57,300, representing a 3.05 percent decrease in adjusted MFI in 2011. While total families increased 11.21 percent from the 2000 census year to the 2010 census year, the percentage of LMI families only grew 3.35 percent. LMI families are concentrated in middle- and upper-income geographies. According to the 2010 U.S. Census, 4.42 percent of LMI families were in low-income census tracts, 32.53 percent were in moderate-income census tracts, 46.69 percent were in middle-income census tracts, and 16.36 percent were in upper-income census tracts.

Strong competition exists for financial services within the Sarasota MSA AA. Per the June 30, 2014 FDIC Deposit Market Share Report, the bank ranked 17<sup>th</sup> among 43 depository financial institutions in the AA with a 1.42 percent market share. The competition included large nationwide banks, regional banks, and community banks. The top five competitors, in rank order, included Bank of America, N.A., Wells Fargo, N.A., SunTrust, Branch Banking & Trust Company, and Fifth Third Bank. These competitors controlled 57.14 percent of the deposit share. The competition maintained 132 offices in the AA. At the end of the evaluation period, Cadence Bank had three branches, and three ATMs in the AA. One branch and one of the ATMs was located in a moderate-income geography. As of June 30, 2014, the bank's deposits in the AA totaled \$243 million, representing 21.84 percent of total Cadence Bank deposits in the state of Florida.

### Employment and Economic Factors

The economic condition of the Sarasota MSA AA improved over the evaluation period. As of December 2014, the U.S. Bureau of Labor Statistics reported the unemployment rate in the Sarasota MSA AA fell from 11.50 percent in October 2010 to 4.90 percent in December 2014 and was lower than the 5.6 percent national average.

The largest industries in the AA include education and health services, government, and retail. The top five employers are Manatee County School District, School Board of Sarasota County, Sarasota Memorial Healthcare, Sarasota County Government, and Beall's Inc.

### Housing

Opportunities for home mortgage lending in LMI geographies and to LMI families improved during the evaluation period. According to the 2010 U.S. Census, the total number of housing units increased 23.72 percent between the 2000 and 2010 census years. Owner-occupied units increased 13.19 percent and represented 57.50 percent of total housing units. The percentage of occupied rental units in the AA increased 18.44 percent, representing 18.19

percent of total housing units. Vacant units increased 65.68 percent between the 2000 and 2010 census years, representing 24.31 percent of total housing units.

LMI geographies experienced substantial new construction growth between the 2000 and 2010 census years. Owner-occupied units in low-income areas increased from 601 to 2,871. Owner-occupied units in moderate-income areas increased from 41,213 to 45,769. Of the new units added to the AA, 50.27 percent are vacant and primarily lie within middle- and upper-income census tracts. Rental units increased from 853 to 3,716 units in low-income geographies but decreased by 229 units in moderate-income geographies.

Lending opportunities exist, but median housing prices are high when compared to median family income. According to the 2010 U.S. Census data, average home values, were \$110,327 in low-income geographies, \$154,958 in moderate-income geographies, \$216,793 in middle-income geographies, and \$407,711 in upper-income geographies. According to the Federal Housing Finance Agency ([www.fhfa.gov](http://www.fhfa.gov)), the median home price for the AA increased from \$162,000 at year-end 2010 to \$202,000 by year-end 2014.

### Community Contact

We contacted one community organization to identify CD opportunities specific to this AA. The organization is a government planning agency. Economic development is a primary need in the AA, since a portion of the AA is within Florida's Enterprise Zone. Additionally, the contact indicated that development of affordable housing is a key contributor to small business growth. Neighborhood Stabilization Program funds and Community Development Block Grants aid in affordable housing rehabilitation, community business improvements, and pedestrian friendly communities. Financial institutions can partner with these initiatives to advance community development within the AA.

## Tampa – St. Petersburg – Clearwater MSA

Demographic Information for Full Scope Area: Tampa – St. Petersburg – Clearwater MSA 2010 Census						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	742	4.45	25.74	41.24	27.36	1.21
Population by Geography	2,783,243	3.63	25.12	41.40	29.66	0.19
Owner-Occupied Housing by Geography	782,399	1.78	22.22	43.76	32.24	0.00
Business by Geography	328,960	2.77	21.39	39.08	36.60	0.15
Farms by Geography	7,916	2.01	22.57	43.58	31.82	0.01
Family Distribution by Income Level	698,563	20.72	18.53	19.74	41.01	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	274,173	5.96	36.40	41.51	16.14	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2014 Households Below Poverty Level		57,333 57,400 12%	Median Housing Value Unemployment Rate (2010 US Census)	198,240 4.26%		

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

Source: 2010 US Census and 2014 FEIC updated MFI

Cadence Bank's merger with Superior Bank in November 2011 expanded its Florida AAs into the Tampa MSA. The Tampa MSA AA is comprised of Hernando, Hillsborough, Pasco, and Pinellas counties within the state of Florida. The AA is located on the west coast of Florida on Tampa Bay, near the Gulf of Mexico. Of the 742 census tracts within the AA, 30.19 percent are LMI (33 low-income and 191 moderate-income). The AA includes the entire MSA, meets the requirements of the CRA regulation and does not arbitrarily exclude any area, particularly LMI geographies.

According to the 2010 U.S. Census, the total population of the AA was 2.7 million and accounts for 14.80 percent of the state of Florida's population. Hillsborough is the county seat in the Tampa MSA AA, and ranks as Florida's fourth most populous county with a population of 1.2 million. Pinellas is the sixth largest county with a population of 916,542. The two counties account for 11.41 percent of Florida's population. Pasco County ranks 12<sup>th</sup> and Hernando County ranks 27<sup>th</sup> with populations of 464,697 and 172,778, respectively.

Based on the 2014 FFIEC Updated Median Family Income report, MFI was \$57,400. According to the 2010 U.S. Census, LMI families represented 39.25 percent of total families within the AA. LMI families are concentrated within moderate and middle-income geographies, with 5.96 percent in low-income geographies, 36.40 percent in moderate-income geographies, 41.51 percent in middle-income geographies, and 16.14 percent in upper-income geographies. According to the 2010 U.S. Census, the percentage of families in the AA living below the poverty level was moderate at 9.42 percent, of which 51.65 percent lived within LMI geographies; 36.25 percent lived in low-income geographies and 15.40 percent lived in moderate-income geographies.

Strong competition exists for financial services within the Tampa AA. Per the June 30, 2014 FDIC Deposit Market Share Report, with a market share of less than one percent, the bank

ranked 17<sup>th</sup> among 66 depository financial institutions in the AA. The competition included large nationwide banks, regional banks, community banks, and trust companies. The top five competitors, in rank order were Bank of America, N.A., Raymond James Bank, N.A., Wells Fargo Bank, N.A., SunTrust Bank and Regions Bank. These competitors controlled 67.68 percent of the deposit share within this AA.

As of December 31, 2014, Cadence Bank had eight branches in the AA, of which two were located in an LMI area. The bank supplemented its branch network with six ATMs. None were deposit-taking ATMs. As of June 30, 2014, the bank's deposits in the AA totaled \$516 million, representing 46.52 percent of total Cadence Bank deposits in the state of Florida.

### Employment and Economic Factors

The economic condition of the Tampa MSA AA improved over the evaluation period. The U. S. Bureau of Labor Statistics (<http://beta.bls.gov>) reported, as of December 2014, that the unemployment rate in the Tampa MSA AA fell from 9.00 percent in January 2012 to 5.30 percent in December 2014, and was below the national average of 5.6 percent.

The largest industries in the AA include professional and business services, education, health related businesses and the retail sector. The top five employers are Hillsborough County School District, Baycare Health System, Inc., Publix Supermarkets, Pinellas County School District, and MacDill Air Force Base.

### Housing

According to the 2010 U.S. Census, owner-occupied units represented 58.54 percent of total housing units in the AA. Low-income geographies contained 1.78 percent of total owner-occupied units and moderate-income geographies contained 22.22 percent. Of the total housing units in low- and moderate-income geographies, rental units made up 51.38 percent and 32.31 percent, respectively.

According to the 2010 Census, housing values were \$120,209 in low-income geographies, \$135,017 in moderate-income geographies, \$180,862 in middle-income geographies, and \$295,657 in upper-income geographies. According to the Federal Housing Finance Agency ([www.fhfa.gov](http://www.fhfa.gov)), the median housing price for the AA was \$171,990 at year-end 2012 and increased to \$205,540 by year-end 2014.

According to the 2010 U.S. Census, the median age of housing stock was 41 years in low-income geographies and 33 years in moderate-income geographies. This compares to 30 years in middle-income geographies and 25 years in upper-income geographies. Older housing often costs more to maintain and frequently requires significant repairs to bring the dwelling up to current code requirements. The aging housing stock in LMI geographies implies higher average maintenance costs, making it more difficult for LMI individuals to afford owner-occupied housing.

Community Contact

We contacted one community organization in this AA. The organization provides full-circle financial services to promote homeownership. Services include pre-purchase, post-purchase, home retention, foreclosure prevention counseling, and assistance with down payment and closing costs. The organization actively promotes revitalization of the community through its home acquisition, rehabilitation, and sale program. The organization stated that the primary need is down payment assistance for affordable housing and that banks should collaborate with community development organizations to address this need.

## State of Georgia

### Georgia-non MSA

Demographic Information for Full Scope Area: GA non-MSA 2000 Census						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	8	0.00	12.50	87.50	0.00	0.00
Population by Geography	37,087	0.00	7.70	92.30	0.00	0.00
Owner-Occupied Housing by Geography	12,804	0.00	7.83	92.17	0.00	0.00
Business by Geography	6,812	0.00	6.58	93.42	0.00	0.00
Farms by Geography	165	0.00	9.70	90.30	0.00	0.00
Family Distribution by Income Level	11,268	18.89	19.95	23.37	37.80	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	4,376	0.00	10.85	89.15	0.00	0.00
Median Family Income HUD Adjusted Median Family Income for 2011 Households Below Poverty Level		37,320 44,600 14%	Median Housing Value Unemployment Rate (2000 US Census)		93,885 1.57%	

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2000 US Census and 2011 HUD updated MFI

Demographic Information for Full Scope Area: GA non-MSA 2010 Census						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	6	0.00	0.00	66.67	33.33	0.00
Population by Geography	21,356	0.00	0.00	72.85	27.15	0.00
Owner-Occupied Housing by Geography	7,392	0.00	0.00	73.36	26.64	0.00
Business by Geography	1,950	0.00	0.00	80.87	19.13	0.00
Farms by Geography	61	0.00	0.00	70.49	29.51	0.00
Family Distribution by Income Level	6,805	16.43	16.56	20.73	46.27	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	2,245	0.00	0.00	79.82	20.18	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2014 Households Below Poverty Level		44,940 47,400 16%	Median Housing Value Unemployment Rate (2010 US Census)		200,356 3.96%	

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2010 US Census and 2014 FEIC updated MFI

At the beginning of the evaluation period, Cadence Bank's Georgia non-MSA Assessment Area (AA) included Union and Fannin counties in their entirety. In September 2013, the bank closed the one branch in Fannin County, prompting the re-delineation of the AA to include only Union County. The AA meets the requirements of the regulation and does not arbitrarily exclude low or moderate-income geographies.

Union and Fannin Counties are located in the northeastern portion of the state approximately 90 miles north of Atlanta. The largest town is Blue Ridge, which is the county seat of Fannin County. The AA is located deep in the heart of the Chattahoochee National Forest and North Georgia's Blue Ridge Mountains. The area is rural in nature, and tourism as an important component of its industry base. The community includes a significant number of second homes and rental properties targeted to tourists.

According to the 2000 U.S. Census, the total population of the AA was 37,087. The distribution of families by income level was 18.89 percent low-, 19.95 percent moderate-, 23.37 percent middle-, and 37.80 percent upper-income. According to the 2010 U.S. Census, the total population decreased to 21,356, and the distribution of families by income level was 16.43 percent low-, 16.56 percent moderate-, 20.73 percent middle-, and 46.27 percent upper-income.

Competition for financial services within the GA non-MSA AA is moderate. On September 30, 2013, Cadence Bank closed the one branch office and two deposit taking ATMs in Fannin County, leaving only one branch in Union County. Per the June 30, 2014 FDIC Deposit Market Share Report, the bank's deposits in the AA totaled \$27 million, which was 2.79 percent of the market. United Community Bank, Community and Southern Bank, and Park Sterling Bank also had branch offices in this AA. Cadence Bank ranked fourth behind these competitors in terms of deposit market share.

### Employment and Economic Factors

According to the Bureau of Labor Statistics (<http://data.bls.gov>), unemployment in the Georgia non-MSA AA improved during the evaluation period, and commensurate with the national average. As of October 2010, the unemployment rate for Fannin County was 11.40 percent and the rate for Union County was 10.30 percent and the national unemployment rate was 9.60 percent. As of December 2014, the unemployment rate for Union County fell to 5.50 percent, and the national unemployment average decreased to 5.60 percent.

During the evaluation period the percentage of families living below the poverty level remained consistent, decreasing from 9.76 percent to 9.54 percent between the 2000 U.S. Census and the 2010 U.S. Census. The 2010 U.S. Census reflects no low or moderate- income tracts in the AA. Approximately 9.50 percent of families in middle-income geographies and 9.67 percent in upper-income geographies lived below the poverty level.

The largest industries in the AA include manufacturing, hospitality/ tourism, retail, real estate, healthcare and financial services. According to the Union County Development Authority, Union General Hospital, Union County Nursing Office, Union County Schools and United Community Bank are the top non- manufacturing employers in the area. Corrugated Replacements Inc., Colwell Construction Co., and Aviagen, Inc. - Blairsville Division are the top manufacturing employers.

Entrepreneurial and retail services drive the Fannin County economy. Blue Ridge Manufacturing, LLC, Blue Ridge Scenic Excursions, Inc., Fannin Regional Hospital, Georgia

Mountains Health Services, Inc. and Heritage Healthcare of Blue Ridge are the top employers in Fannin County.

### Housing

Limited opportunities exist for home mortgage lending in LMI geographies and to LMI families. According to 2000 Census data, there was only one moderate-income census tract in the AA. With the 2010 Census, the AA did not contain any low or moderate-income tracts. The FFIEC's List of Distressed and Underserved Nonmetropolitan Middle-Income Geographies ([www.ffiec.gov](http://www.ffiec.gov)) designates Fannin County as a poverty area and Union County as a remote rural area. The designations reflect local economic conditions, including triggers such as unemployment, poverty, and population changes.

The 2000 U.S. Census reflected that owner-occupied units comprised 64.34 percent of the total housing units in moderate-income geographies. The 2010 U.S. Census indicated a modest shift in the housing mix in the AA. Owner-occupied housing decreased from 60.58 percent to 53.90 percent; occupied rental units increased from 15.13 percent from 15.16 percent; and, vacant units increased from 26.53 percent to 30.94 percent.

According to the Federal Housing Finance Agency ([www.fhfa.gov](http://www.fhfa.gov)), the median housing price for Georgia non-MSA areas increased from \$164,430 in 2011 to 171,200 in 2014.

### Community Contact

We contacted one community organization to identify CD needs specific to this AA. The contact indicated that area financial institutions could make additional efforts to support local businesses and should not require excess collateral to secure loans.

## State of Mississippi

### Mississippi-non MSA

Demographic Information for Full Scope Area: MS non-MSA 2000 Census						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	50	0.00	20.00	60.00	20.00	0.00
Population by Geography	236,167	0.00	15.20	61.19	23.61	0.00
Owner-Occupied Housing by Geography	62,766	0.00	12.13	63.50	24.37	0.00
Business by Geography	29,577	0.00	15.36	61.36	23.28	0.00
Farms by Geography	743	0.00	8.75	71.06	20.19	0.00
Family Distribution by Income Level	61,991	22.79	14.60	18.48	44.13	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	23,176	0.00	20.62	63.31	16.07	0.00
Median Family Income HUD Adjusted Median Family Income for 2011 Households Below Poverty Level		33,550 41,600 23%	Median Housing Value Unemployment Rate (2000 US Census)		63,744 3.74%	

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2000 US Census and 2011 HUD updated MFI

Demographic Information for Full Scope Area: MS non-MSA 2010 Census						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	51	1.96	21.57	43.14	33.33	0.00
Population by Geography	224,200	1.57	16.45	47.64	34.34	0.00
Owner-Occupied Housing by Geography	58,259	1.11	13.72	47.45	37.73	0.00
Business by Geography	13,515	1.53	20.84	43.17	34.46	0.00
Farms by Geography	633	0.16	15.01	47.39	37.44	0.00
Family Distribution by Income Level	57,341	21.90	15.51	17.38	45.22	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	21,447	2.62	23.79	47.76	25.83	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2014 Households Below Poverty Level		40,980 43,800 24%	Median Housing Value Unemployment Rate (2010 US Census)		93,581 5.37%	

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2010 US Census and 2014 FEIC updated MFI

The MS non-MSA AA is located in northeastern Mississippi. The contiguous counties of Clay, Lowndes, Monroe, Neshoba, Oktibbeha, Webster, and Winston comprise the AA. This AA also included Noxubee County from the beginning of the evaluation period until 2013, when the one branch in this county was closed. The AA population decreased by 11,967 or 5.07 percent between the census years of 2000 and 2010. The AA includes 51 census tracts with one low-

income census tract, 11 moderate-, 22 middle-, and 17 upper-income census tracts. The AA meets the requirements of the CRA regulations and does not arbitrarily exclude any area, particularly LMI geographies.

Based on the 2014 FFIEC Updated MSA Median Family Income, the median family income in the AA was \$43,800, which represented a 5.02 percent increase over the 2011 updated median family income. According to 2000 U.S. census data, 22.79 percent of families were low-income, earning a median annual income of less than \$20,800. According to 2010 census data, the percentage of low-income families slightly decreased to 21.90 percent, earning a median annual income of less than \$21,900. The percentage of moderate-income families increased from 14.60 percent in census year 2000 to 15.51 percent in census year 2010. The 2000 census data reflected that 17.92 percent of total families had incomes below the poverty level, and 3.67 percent of households received public assistance. Within moderate-income census tracts, the percentage of families below the poverty level was 32.05 percent. In census year 2010, the overall percentage of families below the poverty level remained relatively unchanged and was 18.28 percent. However, the percent of families below the poverty level significantly increased within low- and moderate-income census tracts to 43.52 and 30.79 percent, respectively.

Competition for financial services within the AA is moderate. Per the June 30, 2014 FDIC Deposit Market Share Report, the bank ranked first among 17 depository financial institutions in the AA, with an 18.53 percent market share. Competitors are large regional banks. The top five competitors, in rank order, were Renasant Bank, Bancorp South Bank, Regions Bank, The Citizens Bank of Philadelphia, MS, and BankFirst Financial Services. These competitors controlled 59.82 percent of the deposit share within this AA. The competition maintained 88 offices in the AA. At the end of the evaluation period, Cadence Bank operated 14 full-service branches in the AA with six located in LMI areas. The bank supplemented its branch network with 18 ATMs in the AA; one was a deposit-taking ATM.

### Employment and Economic Factors

The economic condition of the MS non-MSA AA remained relatively stable over the evaluation period. According to the U.S. Bureau of Labor Statistics (<http://beta.bls.gov>), the healthcare and manufacturing industries drive the economy of Clay, Webster, Winston, Lowndes and Monroe Counties. Major employers include North Mississippi Medical Center, Columbus Air Force Base, Baptist Memorial Hospital, Gilmore Memorial Medical Center, Pioneer Community Hospital, Toyota Motor Manufacturing, Ashley Furniture, and Lane Furniture. Public Administration is the main industry in Neshoba County, including the Neshoba and Philadelphia Public School Systems. Agriculture is the primary industry in Oktibbeha County, Mississippi State University is also located in the county with total enrollment of 20,138 students as of September 2014.

According to the Bureau of Labor Statistics, as of December 2014, the average annual unemployment rate for the AA was 8.77 percent. Rates ranged from 6.4 percent to 12.5 percent. The AA's average unemployment rate of 8.77 percent is higher than statewide and national rates of 7.20 and 5.60 percent, respectively.

### Housing

A relatively limited inventory of owner-occupied units and the advanced age of housing stock resulted in relatively limited lending opportunities in LMI census tracts and to LMI families.

According to the 2010 U.S. Census, 1.11 percent of the total owner-occupied housing units in the AA were located in low-income census tracts. Of the total housing units in low-income geographies, 45.41 percent were occupied rental units and 13.81 percent were vacant units. Approximately 13.72 of the total owner-occupied housing units were located in moderate-income geographies. In moderate-income geographies, 33.93 percent were occupied rental units and 14.01 percent were vacant units, according to 2010 U.S. Census data. These statistics show an increase in the number of occupied rental units and a decrease in the number of vacant units when compared to 2000 Census data. The AA contained no low-income geographies in the 2000 census year.

According to the Federal Housing Finance Agency ([www.fhfa.gov](http://www.fhfa.gov)), the median housing price as of December 2011 was \$170,000 and slightly increased to \$177,000 as of December 2014.

According to the 2010 U.S. Census, the median age of housing stock in the AA was 31 years. The median age of housing stock in low-income census tracts was 42 years and in moderate – income census tracts was 39 years. In comparison, the median age of housing stock in middle-income census tracts was 30 years, and in upper-income geographies was 29 years. Older homes often cost more to maintain and frequently require significant repairs to bring the dwelling up to code requirements. Increased maintenance costs and rehabilitation expenses limit the ability of LMI individuals to qualify for a home purchase or home improvement loan.

### Community Contact

We contacted a housing development corporation that provides safe, affordable housing to LMI individuals in Clay, Lowndes, Oktibbeha, Webster and Winston Counties to identify CD opportunities in the AA. The development corporation provides 389 conventional public housing units and affordable housing to over 2,000 families in the Section 8 Housing Voucher Choice Program (HVCP). The HVCP provides housing opportunities for low- and moderate-income families through a public/private partnership. The contact indicated that the unemployment rate is high in Lowndes County because a Sara Lee plant closed, eliminating more than 2,000 jobs. The contact also indicated that some of the most pressing financial needs and opportunities for financial institutions include vouchers as a means to homeownership and small dollar loans to counteract the payday loan industry.

We also contacted an organization that develops small businesses throughout seven counties including Neshoba County. The contact stated small business loans have become easier to acquire; however, the financial service needs of small businesses in the AA still need support.

## State of Tennessee

### Memphis MSA

Demographic Information for Full Scope Area: Memphis 2000 Census						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	216	19.44	27.31	21.30	30.56	1.39
Population by Geography	897,472	10.95	28.64	24.87	35.01	0.53
Owner-Occupied Housing by Geography	213,444	6.66	23.82	24.99	44.53	0.00
Business by Geography	89,654	8.06	18.26	20.86	52.46	0.36
Farms by Geography	1,531	4.38	15.94	21.75	57.61	0.33
Family Distribution by Income Level	230,409	23.02	16.24	18.82	41.92	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	90,465	19.05	42.83	23.65	14.47	0.00
Median Family Income HUD Adjusted Median Family Income for 2011 Households Below Poverty Level		46,771 58,300 15%	Median Housing Value Unemployment Rate (2000 US Census)		103,992 3.33%	

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2000 US Census and 2011 HUD updated MFI

Demographic Information for Full Scope Area: Memphis MSA 2010 Census						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	221	23.98	23.53	20.81	29.41	2.26
Population by Geography	927,644	16.37	23.26	22.09	37.75	0.53
Owner-Occupied Housing by Geography	210,032	10.29	19.18	22.82	47.70	0.00
Business by Geography	58,606	10.93	19.61	21.31	47.16	0.99
Farms by Geography	1,216	7.15	16.20	21.71	54.44	0.49
Family Distribution by Income Level	223,039	25.23	16.13	16.49	42.16	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	92,229	28.24	34.45	20.81	16.49	0
Median Family Income FFIEC Adjusted Median Family Income for 2014 Households Below Poverty Level		56,100 59,800 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 2014 FEIC updated MFI

The Memphis MSA (Memphis AA) is located in the southwest corner of the state of Tennessee and is part of the Memphis Multi-State MSA, which includes the states of Tennessee, Mississippi, and Arkansas. Cadence Bank's AA is limited to Shelby County, Tennessee. Shelby County is one of ninety-five counties in Tennessee and includes 53 low-, 52 moderate-, 46 middle-, and 65 upper-income census tracts plus five unassigned geographies. Shelby

County includes the City of Memphis, the largest populated city in Tennessee. According to the U.S. Census American Factfinder website ([factfinder2.census.gov](http://factfinder2.census.gov)), the AA population grew by 30,172 (less than one percent) between census years 2000 and 2010. The U.S. Census American Factfinder data estimated growth of approximately one percent through year-end 2014. The Memphis AA meets the requirements of the CRA regulation and does not arbitrarily exclude any area, particularly LMI geographies.

Competition for financial services within the Memphis AA is strong. The bank's deposits in the Memphis MSA as of June 30, 2014, totaled \$116,794 million, representing all of its deposits in the state of Tennessee. Per the June 30, 2014 FDIC Deposit Market Share Report, the bank ranked 25th among 34 depository financial institutions in the AA, with a 0.62 percent market share. The competition was comprised of one large regional bank and several large institutions with a nationwide presence. The top five competitors, in rank order were First Tennessee Bank, Regions Bank, Sun Trust, Bank of America, N.A., and Independent Bank. These competitors controlled 69.54 percent of the deposit share and maintained 130 offices in the AA. Cadence Bank operated four full-service branches and ATMs in the AA as of the end of the evaluation period.

### Employment and Economic Factors

The economic condition of the Memphis AA remained relatively stable over the evaluation period. According to Moody's Analytics, as of March 2015, the local government employed a significant number of the AA's workforce, (55,847 individuals). Beyond state and local governments, the Memphis AA is home to several major industries including shipping and healthcare services. Federal Express, Methodist Healthcare, Naval Support Activity Mid-South, Baptist Memorial Healthcare, and Wal-Mart represent the top private employers for the Memphis AA employing 60,050 individuals as of March 2015. Moody's Analytics indicates the Memphis distribution industry will continue to grow due to the presence of Federal Express, the demand for consumer goods and the shift to online shopping.

Based on the FFIEC Updated MSA Median Family Income as of 2014, the AA's median family income was \$59,800, which is less than a one percent increase versus the 2011 updated median family income of \$58,300. There was also an overall net increase in the number of low-income families from 2011 to 2014, but the number of moderate-income families decreased. According to the U.S. Census data, low-income families increased from 9.65 percent in census year 2000 to 15.11 percent in census year 2010 while moderate-income families decreased from 27.62 percent to 22.30 percent. The total number of families living below the poverty level increased to 15.35 percent from 12.89 percent, according to 2010 and 2000 Census data, respectively. As of December 2014, the Bureau of Labor Statistics (<http://bls.gov>) reported the unemployment rate for the AA was 7.20 percent, which was above the 6.10 percent statewide rate and the 5.60 percent national rate. Annual unemployment rates for the AA during the evaluation period, were 9.50 percent for 2011, 8.60 percent for 2012, and 8.90 percent for 2013.

### Housing

According to the 2000 U.S. Census, owner-occupied units comprised 58.81 percent of the total housing units in the AA. Rental units accounted for 52.37 percent of the housing units in low-income geographies and 42.02 percent of the housing units in moderate-income geographies.

Vacant units for low- and moderate-income geographies were 12.88 and 8.03 percent, respectively.

According to the 2010 U.S. Census, the total number of housing units increased 9.19 percent between the 2000 and 2010 census years. Owner-occupied units decreased 1.60 percent, representing 53.00 percent of total housing units. In addition, occupied rental units increased 4.39 percent, representing 32.91 percent of total housing units. Owner-occupied units in low-income census tracts increased 52.18 percent, but the percentage in moderate-income census tracts decreased 20.76 percent.

According to the Federal Housing Finance Agency, the AA's median housing price was \$136,000 in 2011 and increased to \$145,000 at year-end 2014.

The median age of housing stock is higher in LMI geographies than in middle- and upper-income geographies. Older housing generally costs more to maintain. Per the 2000 U.S. Census, the median housing age in the AA was 30 years. The median age of housing in low-income geographies was 42 years and in moderate-income geographies was 38 years, compared to 30 years for middle-income geographies and 20 years for upper-income geographies. Per the 2010 Census, the median housing age in the AA increased to 37 years. The median age of stock was 48 years for low-income geographies and 43 years for moderate-income geographies, compared to 38 years for middle-income geographies and 26 years for upper-income geographies. Older homes often cost more to maintain and frequently require significant repairs to bring the dwelling up to code requirements. Increased maintenance costs and rehabilitation expenses limit the ability of LMI individuals to qualify for a home purchase or home improvement loan.

Shelby County did not report foreclosure data, but according to the Center for Housing Policy ([www.foreclosure-response.org](http://www.foreclosure-response.org)) the Memphis Multi-State MSA (MMSA) experienced relatively high foreclosure volume ranking 35<sup>th</sup> among 366 total metropolitan areas in the US. The foreclosure rate for the MMSA as of June 2013 (the most recent data) was 7.82 percent. The foreclosure rate fluctuated from 7.80 percent in June 2011 to 8.62 percent in June 2012. The foreclosure rate for the 100 largest metropolitan areas generally ranged from a high of 16 percent to a low of 0.7 percent.

### Community Contact

As part of this performance evaluation, we contacted two community organizations to identify CD opportunities in the AA. One organization is a minority advocacy group focused on health, education, and justice in the metropolitan area. That organization discussed the ongoing struggle with urban poverty and its impact on business development. Decent and affordable rental units, especially for those earning 50.00 percent or less of the area MFI is the AA's greatest need. Other needs include health services, services for children, job training, family literacy, and financial literacy. Access to credit remains a primary concern for LMI individuals, including those that are "unbanked."

The second organization provides financial education and empowerment programs and services designed to improve the economic quality of life for individuals, families, and businesses. The organization provides group workshops and individual financial counseling. The organization also offers homebuyer and small business empowerment programs, a

financial crisis hotline, and foreclosure counseling. Financial institutions and grants fund these programs. The organization indicated that most of its area's residents are LMI and over the years the demographics remain unchanged. Major employers are Federal Express and local government. No major employers entered or exited the local area in recent years. Employment training and job availability represent the most pressing local community needs. The organization indicated adequate financial services exist, including ATMs. Financial institutions could provide small dollar loan products to local borrowers.

## State of Texas

### Houston-The Woodlands-Sugar Land MSA

Demographic Information for Full Scope Area: Houston-The Woodlands-Sugar Land MSA 2010 Census						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	921	13.25	29.10	25.08	32.14	0.43
Population by Geography	5,133,580	10.24	26.94	27.68	34.81	0.33
Owner-Occupied Housing by Geography	1,042,677	4.39	21.65	28.99	44.97	0.00
Business by Geography	447,111	8.63	19.91	24.19	47.21	0.07
Farms by Geography	7,196	5.36	17.82	30.32	46.50	0.00
Family Distribution by Income Level	1,197,030	24.31	16.65	17.38	41.67	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	490,240	18.39	39.18	26.04	16.38	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2014 Households Below Poverty Level		63,898 68,400 13%	Median Housing Value Unemployment Rate (2010 US Census)	159,136 3.44%		

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2010 US Census and 2014 FFIEC updated MFI

The Houston-The Woodlands-Sugar Land MSA (Houston AA) is located along the Gulf Coast region in southeastern Texas. Fort Bend, Harris, and Montgomery counties comprise the Houston AA. According to the 2010 census, Houston was the largest city in Harris County. The 2010 census also indicated the Houston AA population totaled 5.1 million; 24.31 percent of the families were low-income and 16.65 percent were moderate-income. The bank's AA meets the requirements of the CRA regulation and does not arbitrarily exclude any area, particularly LMI geographies.

Based on the 2010 census, the FFIEC Updated MSA Median Family Income (MFI) in the AA increased slightly from \$66,200 in 2013 to \$68,400 in 2014. The 2010 Census data showed 12.22 percent of families had income below the poverty level.

Competition for financial services in the AA is strong. Per the June 30, 2014 FDIC Deposit Market Share Report, Cadence Bank ranked 12<sup>th</sup> among 86 financial institutions, with less than one percent of the market share. The competition within the AA included several large nationwide institutions and two regional institutions. The top five competitors, in rank order were JP Morgan Chase Bank, N.A., Wells Fargo Bank South Central, N.A., Wells Fargo Bank, N.A., Bank of America, N.A., and Compass Bank. Cadence Bank operated 13 branches in the AA as of the end of the evaluation period. The bank supplemented its branch network with 16 ATMs, of which, eight were deposit-taking ATMs. As of June 2014, the bank had \$2.1 billion in deposits in the AA, representing 36.56 percent of total deposits bank wide.

### Employment and Economic Factors

According to the U.S. Bureau of Labor Statistics (<http://beta.bls.gov>) reports, the unemployment rate for the AA declined from 6.60 percent as of January 2013 to 4.00 percent as of December 2014. The 2014 national unemployment rate was 5.60 percent and the Texas unemployment rate was 4.00 percent. The U. S. Bureau of Labor Statistics labor force data indicates the leading industries are sales and related services, office and administrative support, food preparation and services.

### Housing

Based on the 2010 census data, owner-occupied units comprised 54.81 percent of total housing units; occupied rental units comprised 34.04 percent, and vacant units comprised 11.15 percent. Additionally, low-income census tracts contained 13.25 percent of the owner occupied units and moderate-income census tracts contained 29.10 percent. According to the 2010 census data, within LMI census tracts, occupied rental units comprised 21.21 percent of units in low-income census tracts and 33.38 percent of units in moderate-income census tracts.

According to the Federal Housing Finance Agency, the median housing price for first quarter 2013 was \$191,960 and increased to \$228,080 in fourth quarter 2014.

### Community Contact

We contacted a community development corporation (CDC) committed to the development of affordable housing and economic opportunities in the greater Houston metropolitan area. Some of the CDC's programs include first time homebuyer classes, ownership and operation of multifamily units, economic development, and historic preservation. The CDC acknowledged the struggles of those earning a living wage that in most cases have high household expenses. The CDC also indicated some of the most pressing financial needs and opportunities for financial institutions include affordable mortgage loan products, the creation of more affordable rental units and single family housing, funds to replace aging housing stock, and provide down payment and closing cost assistance, and economic development to support small businesses and create jobs.

## 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 part of Table 13; and (3) Partially geocoded loans are included in the Total Loans and % Bank Loans Column in Core Tables 8 through 12 and part of Table 13. Deposit data are compiled by the FDIC and are available as of June 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. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.

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

**Table 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL)** - For geographic distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households within each geography. For borrower distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage of households by income level in each MA/assessment area.

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

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

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

## **Tables of Performance Data**

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Following details the analysis period covered by the performance data tables included for each rating area:

**State of Alabama – January 1, 2012 through December 31, 2014**

**State of Florida – January 1, 2012 through December 31, 2014**

**State of Georgia – January 1, 2012 through December 31, 2013**

**State of Mississippi – January 1, 2012 through December 31, 2013**

**State of Tennessee – January 1, 2012 through December 31, 2014**

**State of Texas – September 14, 2012 through December 31, 2014**

**Table 1. Lending Volume**

LENDING VOLUME Geography: ALABAMA Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014												
Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
Birmingham-Hoover MSA	26.50	542	111,726	300	60,510	7	180	7	14,815	856	187,231	57.51
Huntsville MSA	23.65	623	107,600	129	22,374	12	1,529	0	0	764	131,503	12.69
<b>Limited Review:</b>												
AL non-MSA - Central	2.35	38	3,585	38	5,772	0	0	0	0	76	9,357	4.67
AL non-MSA – North^	2.17	54	5,311	15	1,632	1	2	0	0	70	6,945	2.31
AL non-MSA - South	2.32	32	2,933	38	3,331	2	243	3	401	75	6,908	5.92
Decatur MSA	3.16	80	10,345	21	3,257	1	276	0	0	102	13,878	3.67
Florence-Muscle Shoals MSA	0.34	11	1,288	0	0	0	0	0	0	11	1,288	1.15
Gadsden MSA	3.16	78	10,793	24	2,960	0	0	0	0	102	13,753	2.48
Montgomery MSA	16.10	470	72,621	49	8,338	0	0	1	3,390	520	84,349	1.06
Tuscaloosa MSA	20.25	266	69,009	370	51,861	16	1,298	2	1,640	654	123,808	8.53
AL Statewide serving one or more AAs	0	0	0	0	0	0	0	1	3,000	1	3,000	0.00
AL Statewide not serving any AA(s)	0	0	0	0	0	0	0	1	4,000	1	4,000	0.00

\* Loan Data as of December 31, 2014. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from January 04, 2011 to December 31, 2014.

\*\*\* Deposit Data as of June 30, 2014. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

^ The evaluation period for the AL non-MSA – North AA is January 1, 2012 to December 31, 2013.

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

Geographic Distribution: HOME PURCHASE Geography: ALABAMA Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014																
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	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid
<b>Full Review:</b>																
Birmingham-Hoover MSA	250	19.78	5.28	0.00	15.00	3.60	37.31	32.80	42.42	63.60	0.43	0.00	0.12	0.59	0.39	
Huntsville MSA	418	33.07	3.59	1.91	23.58	13.40	39.46	46.17	33.38	38.52	1.68	3.05	1.64	1.54	1.82	
<b>Limited Review:</b>																
AL non-MSA - Central	8	0.63	1.81	0.00	8.54	12.50	62.97	62.50	26.69	25.00	0.95	0.00	0.82	1.12	0.64	
AL non-MSA – North^	13	100.00	0.00	0.00	9.27	7.69	50.91	15.38	39.81	76.92	0.48	0.00	0.57	0.38	0.60	
AL non-MSA - South	11	0.87	1.84	0.00	33.11	9.09	36.92	54.55	28.12	36.36	0.49	0.00	1.19	0.47	0.00	
Decatur MSA	44	3.48	1.66	0.00	13.52	13.64	50.42	36.36	34.40	50.00	1.03	0.00	0.85	0.38	1.93	
Florence-Muscle Shoals MSA	3	0.24	3.25	0.00	12.56	33.33	62.35	33.33	21.84	33.33	0.08	0.00	0.00	0.00	0.28	
Gadsden MSA	24	1.90	1.39	0.00	21.12	8.33	40.89	16.67	36.60	75.00	0.82	0.00	0.65	0.87	0.85	
Montgomery MSA	386	30.54	9.64	1.04	21.41	4.15	23.39	16.06	45.55	78.76	3.90	1.64	2.47	4.18	4.08	
Tuscaloosa MSA	107	8.47	4.09	1.87	12.85	7.48	41.61	22.43	41.45	68.22	1.10	1.52	0.78	1.04	1.17	

\* Based on 2013 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).

^ The evaluation period for the AL non-MSA – North AA is January 1, 2012 to December 31, 2013.

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

Geographic Distribution: HOME IMPROVEMENT Geography: ALABAMA Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014															
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	Overa ll	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Birmingham-Hoover MSA	37	34.58	5.28	0.00	15.00	18.92	37.31	62.16	42.42	18.92	0.95	0.00	1.18	1.89	0.19
Huntsville MSA	13	12.15	3.59	0.00	23.58	38.46	39.46	38.46	33.38	23.08	0.23	0.00	0.28	0.24	0.21
<b>Limited Review:</b>															
AL non-MSA - Central	11	10.28	1.81	0.00	8.54	18.18	62.97	36.36	26.69	45.45	8.54	0.00	7.69	8.33	9.52
AL non-MSA – North^	7	100.00	0.00	0.00	9.27	0.00	50.91	85.71	39.81	14.29	1.65	0.00	0.00	2.94	0.00
AL non-MSA - South	9	8.41	1.84	0.00	33.11	44.44	36.92	22.22	28.12	33.33	3.77	0.00	4.65	1.96	10.00
Decatur MSA	7	6.54	1.66	0.00	13.52	28.57	50.42	71.43	34.40	0.00	0.76	0.00	1.82	0.98	0.00
Florence-Muscle Shoals MSA	4	3.74	3.25	0.00	12.56	0.00	62.35	100.00	21.84	0.00	1.46	0.00	0.00	2.11	0.00
Gadsden MSA	6	5.61	1.39	0.00	21.12	0.00	40.89	66.67	36.60	33.33	1.97	0.00	0.00	4.62	1.02
Montgomery MSA	0	0.00	9.64	0.00	21.41	0.00	23.39	0.00	45.55	0.00	0.00	0.00	0.00	0.00	0.00
Tuscaloosa MSA	17	15.89	4.09	5.88	12.85	5.88	41.61	47.06	41.45	41.18	0.53	0.00	0.00	0.00	1.12

\* Based on 2013 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).

^ The evaluation period for the AL non-MSA – North AA is January 1, 2012 to December 31, 2013.

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

Geographic Distribution: HOME MORTGAGE REFINANCE Geography: ALABAMA Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014															
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	Overa ll	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Birmingham-Hoover MSA	250	31.09	5.28	0.40	15.00	2.40	37.31	28.80	42.42	68.40	0.34	0.34	0.00	0.41	0.35
Huntsville MSA	192	23.88	3.59	0.52	23.58	13.02	39.46	44.27	33.38	42.19	0.59	0.00	0.52	0.66	0.57
<b>Limited Review:</b>															
AL non-MSA - Central	19	2.36	1.81	0.00	8.54	0.00	62.97	63.16	26.69	36.84	0.53	0.00	0.79	0.56	0.36
AL non-MSA – North^	34	100.00	0.00	0.00	9.27	11.76	50.91	29.41	39.81	58.82	0.37	0.00	0.52	0.33	0.39
AL non-MSA - South	12	1.49	1.84	0.00	33.11	25.00	36.92	33.33	28.12	41.67	0.31	0.00	0.58	0.00	0.74
Decatur MSA	29	3.61	1.66	0.00	13.52	6.90	50.42	55.17	34.40	37.93	0.63	0.00	0.32	0.62	0.76
Florence-Muscle Shoals MSA	4	0.50	3.25	0.00	12.56	0.00	62.35	100.00	21.84	0.00	0.00	0.00	0.00	0.00	0.00
Gadsden MSA	48	5.97	1.39	2.08	21.12	6.25	40.89	27.08	36.60	64.58	1.01	0.00	0.00	0.56	1.50
Montgomery MSA	84	10.45	9.64	1.19	21.41	10.71	23.39	9.52	45.55	78.57	0.73	0.00	0.66	0.48	0.85
Tuscaloosa MSA	141	17.54	4.09	0.71	12.85	6.38	41.61	32.62	41.45	60.28	1.11	0.00	1.45	1.15	1.09

\* Based on 2013 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).

^ The evaluation period for the AL non-MSA – North AA is January 1, 2012 to December 31, 2013.

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

Geographic Distribution: MULTIFAMILY Geography: ALABAMA Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014																
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*					
	#	% of Total**	% of MF Units***	% BANK Loans****	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Overall	Low	Mod	Mid
<b>Full Review:</b>																
Birmingham-Hoover MSA	5	83.33	14.01	20.00	27.74	40.00	30.51	40.00	27.73	0.00	1.15	0.00	0.00	2.70	0.00	
Huntsville MSA	0	0.00	24.82	0.00	33.56	0.00	26.86	0.00	14.77	0.00	0.00	0.00	0.00	0.00	0.00	
<b>Limited Review:</b>																
AL non-MSA - Central	0	0.00	16.89	0.00	20.42	0.00	54.51	0.00	8.19	0.00	0.00	0.00	0.00	0.00	0.00	
AL non-MSA – North^	0	0.00	0.00	0.00	10.49	0.00	65.00	0.00	24.51	0.00	0.00	0.00	0.00	0.00	0.00	
AL non-MSA - South	0	0.00	13.33	0.00	39.79	0.00	26.35	0.00	20.53	0.00	0.00	0.00	0.00	0.00	0.00	
Decatur MSA	0	0.00	2.17	0.00	44.03	0.00	42.12	0.00	11.69	0.00	0.00	0.00	0.00	0.00	0.00	
Florence-Muscle Shoals MSA	0	0.00	1.21	0.00	32.89	0.00	27.66	0.00	38.25	0.00	0.00	0.00	0.00	0.00	0.00	
Gadsden MSA	0	0.00	4.80	0.00	60.92	0.00	22.37	0.00	11.90	0.00	0.00	0.00	0.00	0.00	0.00	
Montgomery MSA	0	0.00	16.72	0.00	24.64	0.00	24.49	0.00	34.16	0.00	0.00	0.00	0.00	0.00	0.00	
Tuscaloosa MSA	1	16.67	17.30	100.00	33.42	0.00	37.21	0.00	12.07	0.00	0.00	0.00	0.00	0.00	0.00	

\* Based on 2013 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 Multifamily 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.

^ The evaluation period for the AL non-MSA – North AA is January 1, 2012 to December 31, 2013.

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

Geographic Distribution: SMALL LOANS TO BUSINESSES Geography: ALABAMA Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014															
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 Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Birmingham-Hoover MSA	300	30.24	8.72	12.33	16.32	13.00	31.22	26.33	43.74	48.33	0.73	1.06	0.79	0.71	0.70
Huntsville MSA	129	13.00	10.11	24.03	25.20	16.28	33.92	32.56	30.77	27.13	0.78	1.00	0.71	0.80	0.74
<b>Limited Review:</b>															
AL non-MSA - Central	38	3.83	1.70	0.00	16.19	28.95	61.69	44.74	20.42	26.32	3.16	0.00	3.51	3.42	3.16
AL non-MSA – North^	15	100.00	0.00	0.00	7.82	0.00	51.38	26.67	40.80	73.33	0.64	0.00	0.00	0.31	1.64
AL non-MSA - South	38	3.83	5.63	7.89	29.05	26.32	35.70	31.58	29.63	34.21	2.44	3.85	2.07	1.83	7.02
Decatur MSA	21	2.12	1.18	0.00	19.85	28.57	51.28	52.38	27.69	19.05	0.39	0.00	0.57	0.43	0.22
Florence-Muscle Shoals MSA	0	0.00	13.35	0.00	13.86	0.00	44.36	0.00	28.42	0.00	0.00	0.00	0.00	0.00	0.00
Gadsden MSA	24	2.42	1.40	0.00	28.96	25.00	38.35	25.00	31.29	50.00	0.85	0.00	0.00	0.70	1.66
Montgomery MSA	49	4.94	22.23	18.37	16.10	20.41	18.52	2.04	43.15	59.18	0.40	0.26	0.41	0.00	0.59
Tuscaloosa MSA	370	37.30	7.25	6.49	22.96	24.59	36.87	34.86	32.92	34.05	4.96	4.81	4.41	5.07	5.54

\* Based on 2013 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).

^ The evaluation period for the AL non-MSA – North AA is January 1, 2012 to December 31, 2013.

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

Geographic Distribution: SMALL LOANS TO FARMS Geography: ALABAMA Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014															
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>															
Birmingham-Hoover MSA	7	17.95	3.46	0.00	16.23	57.14	36.34	42.86	43.90	0.00	2.17	0.00	4.00	2.08	0.00
Huntsville MSA	12	30.77	4.71	0.00	24.50	66.67	48.80	16.67	22.00	16.67	1.99	0.00	1.69	1.33	9.09
<b>Limited Review:</b>															
AL non-MSA - Central	0	0.00	0.00	0.00	17.65	0.00	55.88	0.00	26.47	0.00	0.00	0.00	0.00	0.00	0.00
AL non-MSA – North^	1	100.00	0.00	0.00	11.36	0.00	48.23	0.00	40.41	100.00	0.00	0.00	0.00	0.00	0.00
AL non-MSA - South	2	5.13	0.97	0.00	28.57	100.00	41.23	0.00	29.22	0.00	1.67	0.00	3.03	0.00	0.00
Decatur MSA	1	2.56	0.65	0.00	4.84	0.00	64.52	100.00	30.00	0.00	2.27	0.00	0.00	2.70	0.00
Florence-Muscle Shoals MSA	0	0.00	3.46	0.00	2.77	0.00	80.28	0.00	13.49	0.00	0.00	0.00	0.00	0.00	0.00
Gadsden MSA	0	0.00	0.00	0.00	9.05	0.00	56.28	0.00	34.67	0.00	0.00	0.00	0.00	0.00	0.00
Montgomery MSA	0	0.00	6.72	0.00	14.68	0.00	29.35	0.00	49.25	0.00	0.00	0.00	0.00	0.00	0.00
Tuscaloosa MSA	16	41.03	1.87	0.00	14.40	31.25	42.40	25.00	41.33	43.75	34.48	0.00	28.57	50.00	33.33

\* Based on 2013 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).

^ The evaluation period for the AL non-MSA – North AA is January 1, 2012 to December 31, 2013.

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

Borrower Distribution: HOME PURCHASE Geography: ALABAMA Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014															
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total*	% Families***	% BANK Loans**	% Families1	% BANK Loans**	% Families***	% BANK Loans****	% Families**	% BANK Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Birmingham-Hoover MSA	250	19.78	21.11	7.79	16.55	14.29	19.16	22.51	43.18	55.41	0.51	1.13	0.27	0.47	0.56
Huntsville MSA	418	33.07	22.84	13.88	16.80	27.27	18.52	28.23	41.84	30.62	2.02	1.96	2.11	2.47	1.70
<b>Limited Review:</b>															
AL non-MSA - Central	8	0.63	21.83	0.00	16.31	0.00	19.64	60.00	42.22	40.00	0.72	0.00	0.00	1.26	0.79
AL non-MSA – North^	13	100.00	21.49	0.00	16.97	7.69	18.53	23.08	43.01	69.23	0.56	0.00	0.00	0.60	0.92
AL non-MSA - South	11	0.87	26.72	0.00	18.52	36.36	16.94	45.45	37.82	18.18	0.56	0.00	0.00	2.22	0.00
Decatur MSA	44	3.48	20.70	6.82	17.18	20.45	19.99	29.55	42.12	43.18	1.23	0.00	0.54	1.79	1.83
Florence-Muscle Shoals MSA	3	0.24	21.79	0.00	17.50	66.67	17.54	0.00	43.17	33.33	0.10	0.00	0.00	0.00	0.22
Gadsden MSA	24	1.90	19.94	8.70	18.28	13.04	19.65	30.43	42.13	47.83	0.88	0.00	0.00	1.59	0.88
Montgomery MSA	386	30.54	26.39	7.55	16.16	27.08	16.85	26.30	40.60	39.06	4.80	4.23	5.13	4.30	5.06
Tuscaloosa MSA	107	8.47	19.84	0.97	16.14	9.71	19.79	30.10	44.23	59.22	1.31	0.74	0.90	1.03	1.83

\* Based on 2013 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 2.3% of loans originated and purchased by bank.

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

^ The evaluation period for the AL non-MSA – North AA is January 1, 2012 to December 31, 2013.

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

Borrower Distribution: HOME IMPROVEMENT Geography: ALABAMA Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014															
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>2</sup>	% BANK Loans****	% Families**	% BANK Loans****	% Families**	% BANK Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Birmingham-Hoover MSA	37	34.58	21.11	30.56	16.55	36.11	19.16	19.44	43.18	13.89	1.01	1.55	0.97	1.35	0.66
Huntsville MSA	13	12.15	22.84	23.08	16.80	30.77	18.52	23.08	41.84	23.08	0.24	0.29	0.22	0.23	0.21
<b>Limited Review:</b>															
AL non-MSA - Central	11	10.28	21.83	45.45	16.31	27.27	19.64	27.27	42.22	0.00	8.64	37.50	8.70	12.50	0.00
AL non-MSA – North <sup>^</sup>	7	100.00	21.49	0.00	16.97	50.00	18.53	16.67	43.01	33.33	1.17	0.00	3.33	0.00	1.30
AL non-MSA - South	9	8.41	26.72	11.11	18.52	22.22	16.94	33.33	37.82	33.33	3.96	0.00	4.17	5.00	4.65
Decatur MSA	7	6.54	20.70	28.57	17.18	28.57	19.99	42.86	42.12	0.00	0.79	1.82	0.00	1.98	0.00
Florence-Muscle Shoals MSA	4	3.74	21.79	50.00	17.50	50.00	17.54	0.00	43.17	0.00	1.52	4.55	4.44	0.00	0.00
Gadsden MSA	6	5.61	19.94	0.00	18.28	33.33	19.65	66.67	42.13	0.00	2.09	0.00	3.13	6.12	0.00
Montgomery MSA	0	0.00	26.39	0.00	16.16	0.00	16.85	0.00	40.60	0.00	0.00	0.00	0.00	0.00	0.00
Tuscaloosa MSA	17	15.89	19.84	5.88	16.14	17.65	19.79	17.65	44.23	58.82	0.59	0.00	0.00	0.00	1.22

\* Based on 2013 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 1.9% of loans originated and purchased by bank.

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

<sup>^</sup> The evaluation period for the AL non-MSA – North AA is January 1, 2012 to December 31, 2013.

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

Borrower Distribution: HOME MORTGAGE REFINANCE Geography: ALABAMA Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014															
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>3</sup>	% BANK Loans****	% Families**	% BANK Loans****	% Families**	% BANK Loans***	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Birmingham-Hoover MSA	250	31.09	21.11	6.67	16.55	17.08	19.16	12.50	43.18	63.75	0.41	0.44	0.57	0.23	0.44
Huntsville MSA	192	23.88	22.84	11.60	16.80	27.62	18.52	16.02	41.84	44.75	0.76	0.85	1.32	0.61	0.61
<b>Limited Review:</b>															
AL non-MSA - Central	19	2.36	21.83	5.26	16.31	10.53	19.64	36.84	42.22	47.37	0.64	0.00	0.97	1.02	0.44
AL non-MSA – North <sup>^</sup>	34	100.00	21.49	6.25	16.97	18.75	18.53	18.75	43.01	56.25	0.38	0.00	0.40	0.48	0.38
AL non-MSA - South	12	1.49	26.72	18.18	18.52	0.00	16.94	36.36	37.82	45.45	0.38	0.00	0.00	0.00	0.60
Decatur MSA	29	3.61	20.70	6.90	17.18	27.59	19.99	24.14	42.12	41.38	0.79	0.00	1.27	0.59	0.86
Florence-Muscle Shoals MSA	4	0.50	21.79	25.00	17.50	0.00	17.54	25.00	43.17	50.00	0.00	0.00	0.00	0.00	0.00
Gadsden MSA	48	5.97	19.94	13.04	18.28	17.39	19.65	26.09	42.13	43.48	1.20	3.64	0.75	1.72	0.91
Montgomery MSA	84	10.45	26.39	4.94	16.16	9.88	16.85	27.16	40.60	58.02	0.97	0.36	0.56	1.11	1.17
Tuscaloosa MSA	141	17.54	19.84	1.43	16.14	7.86	19.79	11.43	44.23	79.29	1.40	0.00	0.77	0.65	1.96

\* Based on 2013 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 3.7% of loans originated and purchased by bank.

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

<sup>^</sup> The evaluation period for the AL non-MSA – North AA is January 1, 2012 to December 31, 2013.

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

Borrower Distribution: SMALL LOANS TO BUSINESSES Geography: ALABAMA Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014									
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>									
Birmingham-Hoover MSA	300	30.24	70.85	57.67	52.33	23.33	24.33	0.73	1.09
Huntsville MSA	129	13.00	71.13	72.87	54.26	21.71	24.03	0.78	1.21
<b>Limited Review:</b>									
AL non-MSA - Central	38	3.83	71.00	47.37	63.16	23.68	13.16	3.16	2.48
AL non-MSA – North^	15	100.00	71.04	46.67	73.33	6.67	20.00	0.64	0.67
AL non-MSA - South	38	3.83	69.23	55.26	78.95	15.79	5.26	2.44	3.28
Decatur MSA	21	2.12	71.19	80.95	71.43	9.52	19.05	0.39	0.57
Florence-Muscle Shoals MSA	0	0.00	70.52	0.00	0.00	0.00	0.00	0.00	0.00
Gadsden MSA	24	2.42	71.11	70.83	75.00	12.50	12.50	0.85	1.42
Montgomery MSA	49	4.94	68.03	53.06	48.98	26.53	24.49	0.40	0.65
Tuscaloosa MSA	370	37.30	69.46	50.27	66.49	17.30	16.22	4.96	5.12

\* Based on 2013 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 2.92% of small loans to businesses originated and purchased by the bank.

^ The evaluation period for the AL non-MSA – North AA is January 1, 2012 to December 31, 2013.

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

Borrower Distribution: SMALL LOANS TO FARMS Geography: ALABAMA Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014									
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>									
Birmingham-Hoover MSA	7	17.95	95.98	100.00	100.00	0.00	0.00	2.17	5.26
Huntsville MSA	12	30.77	96.93	50.00	66.67	8.33	25.00	1.99	1.72
<b>Limited Review:</b>									
AL non-MSA - Central	0	0.00	94.85	0.00	0.00	0.00	0.00	0.00	0.00
AL non-MSA – North^	1	100.00	98.51	100.00	100.00	0.00	0.00	0.00	0.00
AL non-MSA - South	2	5.13	97.73	100.00	50.00	50.00	0.00	1.67	4.17
Decatur MSA	1	2.56	96.77	100.00	0.00	0.00	100.00	2.27	4.35
Florence-Muscle Shoals MSA	0	0.00	99.65	0.00	0.00	0.00	0.00	0.00	0.00
Gadsden MSA	0	0.00	99.50	0.00	0.00	0.00	0.00	0.00	0.00
Montgomery MSA	0	0.00	97.01	0.00	0.00	0.00	0.00	0.00	0.00
Tuscaloosa MSA	16	41.03	98.13	75.00	75.00	12.50	12.50	34.48	35.29

\* Based on 2013 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.

^ The evaluation period for the AL non-MSA – North AA is January 1, 2012 to December 31, 2013.

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS Geography: ALABAMA Evaluation Period: JANUARY 4, 2011 TO DECEMBER 31, 2014									
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>									
Birmingham-Hoover MSA	4	720	22	4,934	26	5,654	46.05	0	0
Huntsville MSA***	1	74	7	2,841	8	2,915	23.74	0	0
<b>Limited Review:</b>									
AL non-MSA – Central***	1	53	1	92	2	145	1.18	0	0
AL non-MSA – North***	0	0	1	167	1	167	1.36	0	0
AL non-MSA – South***	0	0	0	0	0	0	0.00	0	0
Decatur MSA***	1	196	4	531	5	727	5.92	0	0
Florence-Muscle Shoals MSA***	1	60	1	71	2	131	1.07	0	0
Gadsden MSA***	0	0	2	153	2	153	1.25	0	0
Montgomery MSA***	1	76	1	148	2	224	1.82	0	0
Tuscaloosa MSA	0	0	4	236	4	236	1.92	0	0
AL Statewide serving one or more AAs	0	0	3	1,698	3	1,698	13.83	0	0
AL Statewide not serving any AA(s)	1	47	2	181	3	228	1.86	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.

\*\*\* The evaluation period for the Huntsville AA, AL non-MSA – Central AA, AL non-MSA – North AA, AL non-MSA – South AA, Decatur AA, Florence-Muscle Shoals AA, Gadsden AA, and Montgomery AA is November 11, 2011 to December 31, 2014.

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS Geography: ALABAMA Evaluation Period: JANUARY 4, 2011 TO DECEMBER 31, 2014																	
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>																	
Birmingham-Hoover MSA	57.51	10	35.71	0.00	10.00	40.00	50.00	0	6	0	-1	-4	-1	8.52	17.82	35.42	38.24
Huntsville MSA*	12.69	5	17.86	0.00	20.00	20.00	60.00	0	5	-1	-1	-3	0	8.34	25.71	36.81	29.14
<b>Limited Review:</b>																	
AL non-MSA – Central*	4.67	2	7.14	0.00	50.00	50.00	0.00	0	1	0	-1	0	0	3.75	13.48	57.70	25.07
AL non-MSA - North*	2.31	1	3.57	0.00	0.00	100.00	0.00	0	5	0	0	-3	-2	0.00	11.17	42.25	46.58
AL non-MSA - South*	5.92	3	10.71	0.00	66.67	33.33	0.00	0	0	0	0	0	0	2.82	35.99	34.58	26.61
Decatur MSA*	3.67	2	7.14	0.00	50.00	50.00	0.00	1	2	0	0	-1	0	2.95	18.92	48.36	29.77
Florence-Muscle Shoals MSA*	1.15	0	0.00	0.00	0.00	0.00	0.00	0	1	0	0	-1	0	6.01	14.13	59.08	20.77
Gadsden MSA*	2.48	1	3.57	0.00	100.00	0.00	0.00	0	1	0	0	-1	0	2.57	27.01	38.51	31.91
Montgomery MSA*	1.06	1	3.57	0.00	0.00	0.00	100.00	0	0	0	0	0	0	15.84	22.31	23.15	38.70
Tuscaloosa MSA	8.53	3	10.71	0.00	33.33	0.00	66.67	0	2	0	-1	0	0	10.75	18.27	38.55	32.42

\* The evaluation period for the Huntsville AA, AL non-MSA – Central AA, AL non-MSA – North AA, AL non-MSA – South AA, Decatur AA, Florence-Muscle Shoals AA, Gadsden AA, and Montgomery AA is November 11, 2011 to December 31, 2014.

**Table 1. Lending Volume**

LENDING VOLUME Geography: FLORIDA Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014												
Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
FL non-MSA^	16.14	68	8,005	54	9,401	5	812	0	0	127	18,218	10.88
North Port-Sarasota-Bradenton MSA	33.04	61	17,599	199	39,757	0	0	0	0	260	57,356	21.84
Tampa-St Petersburg-Clearwater MSA	34.94	133	26,439	140	25,957	1	5	1	986	275	53,387	46.52
<b>Limited Review:</b>												
Homosassa Springs MSA^^	1.65	7	756	5	346	1	26	0	0	13	1,128	7.05
Ocala MSA	4.19	28	2,704	3	216	2	203	0	0	33	3,123	3.11
Panama City MSA^	7.88	15	3,180	47	10,230	0	0	0	0	62	13,410	5.34
Tallahassee MSA	2.16	8	1,266	9	1,447	0	0	0	0	17	2,713	5.26

\* Loan Data as of December 31, 2014. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from January 04, 2011 to December 31, 2014 for the North Port-Sarasota-Bradenton AA. The evaluation period is November 11, 2011 to December 31, 2014 for the remaining AAs.

\*\*\* Deposit Data as of June 30, 2014. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

^ The evaluation period for the FL non-MSA AA and Panama City AA is January 1, 2012 to December 31, 2013.

^^ The evaluation period for the Homosassa Springs AA is January 1, 2014 to December 31, 2014.

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

Geographic Distribution: HOME PURCHASE Geography: FLORIDA Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014																
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	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid
<b>Full Review:</b>																
FL non-MSA^	21	75.00	0.00	0.00	11.34	9.52	73.66	90.48	15.00	0.00	0.44	0.00	1.24	0.48	0.00	
North Port-Sarasota-Bradenton MSA	26	14.94	1.26	0.00	20.07	11.54	48.99	26.92	29.68	61.54	0.09	0.00	0.07	0.06	0.13	
Tampa-St Petersburg-Clearwater MSA	84	48.28	1.78	0.00	22.22	16.67	43.76	48.81	32.24	34.52	0.07	0.00	0.07	0.10	0.04	
<b>Limited Review:</b>																
Homosassa Springs MSA^^	4	25.00	0.00	0.00	8.12	0.00	75.49	75.00	16.39	25.00	0.32	0.00	0.77	0.37	0.00	
Ocala MSA	16	9.20	0.00	0.00	13.04	0.00	73.07	100.00	13.89	0.00	0.07	0.00	0.00	0.09	0.00	
Panama City MSA^	7	25.00	1.32	0.00	16.25	28.57	58.45	28.57	23.98	42.86	0.10	0.00	0.43	0.00	0.22	
Tallahassee MSA	5	2.87	4.59	0.00	17.69	20.00	28.85	80.00	48.87	0.00	0.00	0.00	0.00	0.00	0.00	

\* Based on 2013 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).

^ The evaluation period for the FL non-MSA AA and Panama City AA is January 1, 2012 to December 31, 2013.

^^ The evaluation period for the Homosassa Springs AA is January 1, 2014 to December 31, 2014.

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

Geographic Distribution: HOME IMPROVEMENT Geography: FLORIDA Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014															
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	Overa ll	Low	Mod	Mid	Upp
<b>Full Review:</b>															
FL non-MSA^	13	100.00	0.00	0.00	11.34	7.69	73.66	84.62	15.00	7.69	2.02	0.00	2.86	1.90	1.92
North Port-Sarasota-Bradenton MSA	3	15.00	1.26	0.00	20.07	0.00	48.99	66.67	29.68	33.33	0.15	0.00	0.00	0.29	0.00
Tampa-St Petersburg-Clearwater MSA	2	10.00	1.78	0.00	22.22	100.00	43.76	0.00	32.24	0.00	0.04	0.00	0.20	0.00	0.00
<b>Limited Review:</b>															
Homosassa Springs MSA^^	1	20.00	0.00	0.00	8.12	0.00	75.49	100.00	16.39	0.00	0.00	0.00	0.00	0.00	0.00
Ocala MSA	2	10.00	0.00	0.00	13.04	0.00	73.07	100.00	13.89	0.00	0.60	0.00	0.00	0.89	0.00
Panama City MSA^	0	0.00	1.32	0.00	16.25	0.00	58.45	0.00	23.98	0.00	0.00	0.00	0.00	0.00	0.00
Tallahassee MSA	0	0.00	4.59	0.00	17.69	0.00	28.85	0.00	48.87	0.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2013 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).

^ The evaluation period for the FL non-MSA AA and Panama City AA is January 1, 2012 to December 31, 2013.

^^ The evaluation period for the Homosassa Springs AA is January 1, 2014 to December 31, 2014.

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

Geographic Distribution: HOME MORTGAGE REFINANCE Geography: FLORIDA Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014															
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	Overa ll	Low	Mod	Mid	Upp
<b>Full Review:</b>															
FL non-MSA^	34	80.95	0.00	0.00	11.34	14.71	73.66	79.41	15.00	5.88	0.27	0.00	0.00	0.32	0.18
North Port-Sarasota-Bradenton MSA	30	22.22	1.26	0.00	20.07	6.67	48.99	33.33	29.68	60.00	0.06	0.00	0.00	0.05	0.09
Tampa-St Petersburg-Clearwater MSA	47	34.81	1.78	0.00	22.22	14.89	43.76	36.17	32.24	48.94	0.03	0.00	0.04	0.04	0.03
<b>Limited Review:</b>															
Homosassa Springs MSA^^	2	33.33	0.00	0.00	8.12	0.00	75.49	50.00	16.39	50.00	0.14	0.00	0.00	0.14	0.22
Ocala MSA	10	7.41	0.00	0.00	13.04	0.00	73.07	100.00	13.89	0.00	0.06	0.00	0.00	0.09	0.00
Panama City MSA^	8	19.05	1.32	0.00	16.25	0.00	58.45	50.00	23.98	50.00	0.15	0.00	0.00	0.15	0.19
Tallahassee MSA	3	2.22	4.59	0.00	17.69	0.00	28.85	0.00	48.87	100.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2013 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).

^ The evaluation period for the FL non-MSA AA and Panama City AA is January 1, 2012 to December 31, 2013.

^^ The evaluation period for the Homosassa Springs AA is January 1, 2014 to December 31, 2014.

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

Geographic Distribution: MULTIFAMILY Geography: FLORIDA Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014																
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*					
	#	% of Total**	% of MF Units***	% BANK Loans****	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Overall	Low	Mod	Mid
<b>Full Review:</b>																
FL non-MSA^	0	0.00	0.00	0.00	11.83	0.00	76.24	0.00	11.93	0.00	0.00	0.00	0.00	0.00	0.00	0.00
North Port-Sarasota-Bradenton MSA	2	100.00	2.20	0.00	18.61	100.00	38.67	0.00	40.52	0.00	3.45	0.00	6.67	0.00	0.00	
Tampa-St Petersburg-Clearwater MSA	0	0.00	4.24	0.00	28.29	0.00	37.19	0.00	30.28	0.00	0.00	0.00	0.00	0.00	0.00	
<b>Limited Review:</b>																
Homosassa Springs MSA^^	0	0.00	0.00	0.00	10.93	0.00	72.07	0.00	17.00	0.00	0.00	0.00	0.00	0.00	0.00	
Ocala MSA	0	0.00	0.00	0.00	25.93	0.00	45.07	0.00	29.00	0.00	0.00	0.00	0.00	0.00	0.00	
Panama City MSA^	0	0.00	1.95	0.00	20.49	0.00	40.51	0.00	37.04	0.00	0.00	0.00	0.00	0.00	0.00	
Tallahassee MSA	0	0.00	42.85	0.00	26.87	0.00	14.11	0.00	16.16	0.00	0.00	0.00	0.00	0.00	0.00	

\* Based on 2013 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 Multifamily 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.

^ The evaluation period for the FL non-MSA AA and Panama City AA is January 1, 2012 to December 31, 2013.

^^ The evaluation period for the Homosassa Springs AA is January 1, 2014 to December 31, 2014.

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

Geographic Distribution: SMALL LOANS TO BUSINESSES Geography: FLORIDA Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014															
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 Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
FL non-MSA^	54	53.47	0.00	0.00	12.58	18.52	73.53	72.22	13.89	9.26	3.19	0.00	2.63	3.37	4.29
North Port-Sarasota-Bradenton MSA	199	40.53	1.60	3.52	20.31	28.64	43.00	31.16	35.09	36.68	0.51	1.02	0.79	0.36	0.52
Tampa-St Petersburg-Clearwater MSA	140	28.51	2.77	2.14	21.39	39.29	39.08	36.43	36.60	22.14	0.10	0.14	0.18	0.10	0.06
<b>Limited Review:</b>															
Homosassa Springs MSA^^	5	11.36	0.00	0.00	8.73	0.00	75.56	60.00	15.71	40.00	0.00	0.00	0.00	0.00	0.00
Ocala MSA	3	0.61	0.00	0.00	17.55	0.00	55.73	66.67	26.72	33.33	0.00	0.00	0.00	0.00	0.00
Panama City MSA^	47	46.53	2.83	0.00	16.30	27.66	52.98	38.30	27.89	34.04	0.76	0.00	1.23	0.56	0.97
Tallahassee MSA	9	1.83	8.36	0.00	21.58	33.33	27.97	33.33	41.72	33.33	0.14	0.00	0.23	0.18	0.11

\* Based on 2013 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).

^ The evaluation period for the FL non-MSA AA and Panama City AA is January 1, 2012 to December 31, 2013.

^^ The evaluation period for the Homosassa Springs AA is January 1, 2014 to December 31, 2014.

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

Geographic Distribution: SMALL LOANS TO FARMS Geography: FLORIDA Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014															
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>															
FL non-MSA^	5	100.00	0.00	0.00	12.23	20.00	71.79	80.00	15.98	0.00	1.10	0.00	0.00	1.39	0.00
North Port-Sarasota-Bradenton MSA	0	0.00	1.61	0.00	18.01	0.00	47.35	0.00	33.03	0.00	0.00	0.00	0.00	0.00	0.00
Tampa-St Petersburg-Clearwater MSA	1	10.00	2.01	0.00	22.57	100.00	43.58	0.00	31.82	0.00	0.00	0.00	0.00	0.00	0.00
<b>Limited Review:</b>															
Homosassa Springs MSA^^	1	50.00	0.00	0.00	12.73	0.00	69.01	100.00	18.26	0.00	0.00	0.00	0.00	0.00	0.00
Ocala MSA	2	20.00	0.00	0.00	14.52	0.00	61.51	100.00	23.98	0.00	0.00	0.00	0.00	0.00	0.00
Panama City MSA^	0	0.00	0.59	0.00	13.31	0.00	63.60	0.00	22.50	0.00	0.00	0.00	0.00	0.00	0.00
Tallahassee MSA	0	0.00	4.06	0.00	16.36	0.00	30.38	0.00	49.20	0.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2013 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).

^ The evaluation period for the FL non-MSA AA and Panama City AA is January 1, 2012 to December 31, 2013.

^^ The evaluation period for the Homosassa Springs AA is January 1, 2014 to December 31, 2014.

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

Borrower Distribution: HOME PURCHASE Geography: FLORIDA Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014															
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 <sup>4</sup>	% BANK Loans**	% Families***	% BANK Loans****	% Families**	% BANK Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
FL non-MSA <sup>^</sup>	21	75.00	18.98	0.00	19.35	14.29	21.63	23.81	40.05	61.90	0.48	0.00	0.50	0.61	0.46
North Port-Sarasota-Bradenton MSA	26	14.94	19.55	4.00	19.05	12.00	20.92	4.00	40.47	80.00	0.10	0.00	0.16	0.00	0.13
Tampa-St Petersburg-Clearwater MSA	84	48.28	20.72	10.98	18.53	20.73	19.74	20.73	41.01	47.56	0.08	0.09	0.09	0.08	0.07
<b>Limited Review:</b>															
Homosassa Springs MSA <sup>^^</sup>	4	25.00	17.50	0.00	20.48	50.00	21.44	0.00	40.58	50.00	0.34	0.00	0.00	0.27	0.58
Ocala MSA	16	9.20	18.09	0.00	19.80	6.25	22.83	31.25	39.28	62.50	0.08	0.00	0.00	0.20	0.06
Panama City MSA <sup>^</sup>	7	25.00	19.29	0.00	18.26	0.00	21.58	28.57	40.87	71.43	0.11	0.00	0.00	0.16	0.13
Tallahassee MSA	5	2.87	21.91	20.00	15.50	20.00	17.32	40.00	45.27	20.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2013 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 1.7% 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).

<sup>^</sup> The evaluation period for the FL non-MSA AA and Panama City AA is January 1, 2012 to December 31, 2013.

<sup>^^</sup> The evaluation period for the Homosassa Springs AA is January 1, 2014 to December 31, 2014.

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

Borrower Distribution: HOME IMPROVEMENT Geography: FLORIDA Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014															
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***	% Families5	% BANK Loans****	% Families**	% BANK Loans****	% Families**	% BANK Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
FL non-MSA^	13	100.00	18.98	7.69	19.35	53.85	21.63	15.38	40.05	23.08	2.05	0.00	5.19	1.25	0.97
North Port-Sarasota-Bradenton MSA	3	15.00	19.55	0.00	19.05	0.00	20.92	0.00	40.47	100.00	0.16	0.00	0.00	0.00	0.34
Tampa-St Petersburg-Clearwater MSA	2	10.00	20.72	0.00	18.53	0.00	19.74	0.00	41.01	100.00	0.04	0.00	0.00	0.00	0.08
<b>Limited Review:</b>															
Homosassa Springs MSA^^	1	20.00	17.50	100.00	20.48	0.00	21.44	0.00	40.58	0.00	0.00	0.00	0.00	0.00	0.00
Ocala MSA	2	10.00	18.09	0.00	19.80	50.00	22.83	0.00	39.28	50.00	0.60	0.00	1.28	0.00	0.67
Panama City MSA^	0	0.00	19.29	0.00	18.26	0.00	21.58	0.00	40.87	0.00	0.00	0.00	0.00	0.00	0.00
Tallahassee MSA	0	0.00	21.91	0.00	15.50	0.00	17.32	0.00	45.27	0.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2013 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 5.0% of loans originated and purchased by bank.

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

^ The evaluation period for the FL non-MSA AA and Panama City AA is January 1, 2012 to December 31, 2013.

^^ The evaluation period for the Homosassa Springs AA is January 1, 2014 to December 31, 2014.

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

Borrower Distribution: HOME MORTGAGE REFINANCE Geography: FLORIDA Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014															
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****	% Families6	% BANK Loans****	% Families**	% BANK Loans****	% Families**	% BANK Loans***	Overa ll	Low	Mod	Mid	Upp
<b>Full Review:</b>															
FL non-MSA^	34	80.95	18.98	0.00	19.35	17.65	21.63	32.35	40.05	50.00	0.30	0.00	0.45	0.78	0.14
North Port-Sarasota-Bradenton MSA	30	22.22	19.55	6.90	19.05	10.34	20.92	10.34	40.47	72.41	0.07	0.10	0.00	0.04	0.09
Tampa-St Petersburg-Clearwater MSA	47	34.81	20.72	4.26	18.53	6.38	19.74	25.53	41.01	63.83	0.04	0.03	0.00	0.03	0.05
<b>Limited Review:</b>															
Homosassa Springs MSA^^	2	33.33	17.50	0.00	20.48	50.00	21.44	0.00	40.58	50.00	0.16	0.00	0.29	0.26	0.11
Ocala MSA	10	7.41	18.09	10.00	19.80	20.00	22.83	50.00	39.28	20.00	0.07	0.33	0.00	0.23	0.00
Panama City MSA^	8	19.05	19.29	0.00	18.26	0.00	21.58	25.00	40.87	75.00	0.18	0.00	0.00	0.18	0.24
Tallahassee MSA	3	2.22	21.91	0.00	15.50	33.33	17.32	0.00	45.27	66.67	0.00	0.00	0.00	0.00	0.00

\* Based on 2013 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 0.7% 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).

^ The evaluation period for the FL non-MSA AA and Panama City AA is January 1, 2012 to December 31, 2013.

^^ The evaluation period for the Homosassa Springs AA is January 1, 2014 to December 31, 2014.

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

Borrower Distribution: SMALL LOANS TO BUSINESSES Geography: FLORIDA Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014									
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>									
FL non-MSA^	54	53.47	74.55	62.96	44.44	38.89	16.67	3.19	4.93
North Port-Sarasota-Bradenton MSA	199	40.53	73.51	61.31	43.22	30.15	26.63	0.51	0.62
Tampa-St Petersburg-Clearwater MSA	140	28.51	70.68	56.43	55.00	20.71	24.29	0.10	0.13
<b>Limited Review:</b>									
Homosassa Springs MSA^^	5	11.36	76.20	80.00	80.00	0.00	20.00	0.00	0.00
Ocala MSA	3	0.61	74.91	100.00	66.67	33.33	0.00	0.00	0.00
Panama City MSA^	47	46.53	71.29	70.21	34.04	40.43	25.53	0.76	1.18
Tallahassee MSA	9	1.83	71.47	44.44	66.67	0.00	33.33	0.14	0.13

\* Based on 2013 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 2.24% of small loans to businesses originated and purchased by the bank.

^ The evaluation period for the FL non-MSA AA and Panama City AA is January 1, 2012 to December 31, 2013.

^^ The evaluation period for the Homosassa Springs AA is January 1, 2014 to December 31, 2014.

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

Borrower Distribution: SMALL LOANS TO FARMS Geography: FLORIDA Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014									
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>									
FL non-MSA^	5	100.00	98.65	80.00	20.00	60.00	20.00	1.10	3.03
North Port-Sarasota-Bradenton MSA	0	0.00	96.54	0.00	0.00	0.00	0.00	0.00	0.00
Tampa-St Petersburg-Clearwater MSA	1	10.00	96.98	100.00	100.00	0.00	0.00	0.00	0.00
<b>Limited Review:</b>									
Homosassa Springs MSA^^	1	50.00	99.33	100.00	100.00	0.00	0.00	0.00	0.00
Ocala MSA	2	20.00	97.52	100.00	50.00	50.00	0.00	0.00	0.00
Panama City MSA^	0	0.00	99.02	0.00	0.00	0.00	0.00	0.00	0.00
Tallahassee MSA	0	0.00	98.15	0.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2013 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.

^ The evaluation period for the FL non-MSA AA and Panama City AA is January 1, 2012 to December 31, 2013.

^^ The evaluation period for the Homosassa Springs AA is January 1, 2014 to December 31, 2014.

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS Geography: FLORIDA Evaluation Period: JANUARY 4, 2011 TO DECEMBER 31, 2014									
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>									
FL non-MSA***	1	118	0	0	1	118	2.20	0	0
North Port-Sarasota-Bradenton MSA	3	374	3	361	6	735	13.69	0	0
Tampa-St Petersburg-Clearwater MSA***	4	2,258	4	1,136	8	3,394	63.20	0	0
<b>Limited Review:</b>									
Homosassa Springs MSA^	0	0	0	0	0	0	0	0	0
Ocala MSA***	0	0	1	52	1	52	0.97	0	0
Panama City MSA***	0	0	2	1	2	1	0.02	0	0
Tallahassee MSA***	2	217	1	104	3	321	5.98	0	0
FL Statewide not serving any AA(s)	0	0	1	749	1	749	13.95	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.

\*\*\* The evaluation period for the FL non-MSA AA, Tampa AA, Ocala AA, Panama City AA, and Tallahassee AA is November 11, 2011 to December 31, 2014.

^ The evaluation period for the Homosassa Springs AA is January 1, 2014 to December 31, 2014.

**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 4, 2011 TO DECEMBER 31, 2014																	
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>																	
FL non-MSA*	10.88	3	16.67	0.00	33.33	66.67	0.00	0	2	0	0	-2	0	0.00	17.80	69.74	12.46
North Port-Sarasota-Bradenton MSA	21.84	3	16.67	0.00	33.33	66.67	0.00	0	2	0	0	-2	0	2.67	23.45	46.77	27.11
Tampa-St Petersburg-Clearwater MSA*	46.52	8	44.44	0.00	25.00	50.00	25.00	2	2	0	0	0	0	3.63	25.12	41.40	29.66
<b>Limited Review:</b>																	
Homosassa Springs MSA**	7.05	0	0.00	0.00	0.00	0.00	0.00	0	1	0	0	-1	0	0.00	9.35	74.89	15.76
Ocala MSA*	3.11	1	5.56	0.00	0.00	100.00	0.00	0	0	0	0	0	0	0.00	16.88	67.81	15.31
Panama City MSA*	5.34	2	11.11	0.00	0.00	50.00	50.00	0	0	0	0	0	0	1.98	22.42	56.01	19.58
Tallahassee MSA*	5.26	1	5.56	0.00	0.00	100.00	0.00	0	1	0	0	0	-1	16.17	22.61	23.53	35.32

\* The evaluation period for the FL non-MSA AA, Tampa AA, Ocala AA, Panama City AA, and Tallahassee AA is November 11, 2011 to December 31, 2014.

\*\* The evaluation period for the Homosassa Springs AA is January 1, 2014 to December 31, 2014.

**Table 1. Lending Volume**

LENDING VOLUME Geography: GEORGIA Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013												
Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
GA non-MSA	100.00	24	3,508	13	1,251	2	60	0	0	39	4,819	100.00

\* Loan Data as of December 31, 2013. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from January 04, 2011 to December 31, 2014.

\*\*\* Deposit Data as of June 30, 2013. 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: GEORGIA Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013															
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>															
GA non-MSA	7	100.00	0.00	0.00	0.00	0.00	87.61	71.43	12.39	28.57	0.34	0.00	0.00	0.25	1.09

\* Based on 2013 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: GEORGIA Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013															
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	Overa ll	Low	Mod	Mid	Upp
<b>Full Review:</b>															
GA non-MSA	2	100.00	0.00	0.00	0.00	0.00	87.61	100.00	12.39	0.00	1.19	0.00	0.00	1.45	0.00

\* Based on 2013 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: GEORGIA Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013															
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	Overa ll	Low	Mod	Mid	Upp
<b>Full Review:</b>															
GA non-MSA	15	100.00	0.00	0.00	0.00	0.00	87.61	100.00	12.39	0.00	0.19	0.00	0.00	0.22	0.00

\* Based on 2013 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 6. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES Geography: GEORGIA Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013															
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 Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
GA non-MSA	13	100.00	0.00	0.00	0.00	0.00	90.10	92.31	9.90	7.69	0.85	0.00	0.00	0.86	1.27

\* Based on 2013 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 (2013).

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

Geographic Distribution: SMALL LOANS TO FARMS Geography: GEORGIA Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013															
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>															
GA non-MSA	2	100.00	0.00	0.00	0.00	0.00	86.25	0.00	13.75	100.00	7.14	0.00	0.00	0.00	100.00

\* Based on 2013 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 (2013).

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

Borrower Distribution: HOME PURCHASE Geography: GEORGIA Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013															
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**	% Families7	% BANK Loans**	% Families***	% BANK Loans****	% Families**	% BANK Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
GA non-MSA	7	100.00	18.11	14.29	19.98	28.57	19.36	42.86	42.55	14.29	0.37	0.00	1.23	0.81	0.17

\* Based on 2013 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 0.0% of loans originated and purchased by bank.

7 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: GEORGIA Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013															
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>8</sup>	% BANK Loans****	% Families**	% BANK Loans****	% Families**	% BANK Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
GA non-MSA	2	100.00	18.11	0.00	19.98	50.00	19.36	50.00	42.55	0.00	1.25	0.00	0.00	7.14	0.00

\* Based on 2013 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>8</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: GEORGIA Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013															
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>9</sup>	% BANK Loans****	% Families**	% BANK Loans****	% Families**	% BANK Loans***	Overa II	Low	Mod	Mid	Upp
<b>Full Review:</b>															
GA non-MSA	15	100.00	18.11	6.67	19.98	0.00	19.36	26.67	42.55	66.67	0.21	0.00	0.00	0.00	0.33

\* Based on 2013 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 0.0% 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 11. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES Geography: GEORGIA Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013									
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>									
GA non-MSA	13	100.00	77.76	100.00	76.92	15.38	7.69	0.85	1.21

\* Based on 2013 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 - 2013).

\*\*\*\* 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 0.00% 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: GEORGIA Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013									
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>									
GA non-MSA	2	100.00	100.00	100.00	100.00	0.00	0.00	7.14	11.11

\* Based on 2013 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 - 2013).

\*\*\*\* 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: GEORGIA Evaluation Period: JANUARY 4, 2011 TO DECEMBER 31, 2014									
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>									
GA non-MSA	0	0	1	6	1	6	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: GEORGIA Evaluation Period: JANUARY 4, 2011 TO DECEMBER 31, 2014																	
MA/Assessment Area:	Deposit s	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposit s in AA	# of BANK Branch es	% of Rated Area Branch es in AA	Location of Branches by Income of Geographies (%)				# of Branch Openin gs	# of Branch Closing s	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>																	
GA non-MSA	100.00	1	100.00	0.00	0.00	100.00	0.00	0	1	0	0	-1	0	0.00	0.00	87.13	12.87

**Table 1. Lending Volume**

LENDING VOLUME Geography: MISSISSIPPI Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013												
Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
MS non-MSA	100.00	217	21,849	457	38,339	74	3,548	8	17,735	756	81,471	100.00

\* Loan Data as of December 31, 2013. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from January 04, 2011 to December 31, 2014.

\*\*\* Deposit Data as of June 30, 2013. 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, 2012 TO DECEMBER 31, 2013															
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>															
MS non-MSA	38	100.00	1.05	0.00	16.61	5.26	46.50	42.11	35.83	52.63	1.11	0.00	0.00	1.07	1.38

\* Based on 2013 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, 2012 TO DECEMBER 31, 2013															
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	Overa ll	Low	Mod	Mid	Upp
<b>Full Review:</b>															
MS non-MSA	88	100.00	1.05	0.00	16.61	14.77	46.50	48.86	35.83	36.36	7.11	0.00	5.49	7.39	8.09

\* Based on 2013 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, 2012 TO DECEMBER 31, 2013															
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>															
MS non-MSA	91	100.00	1.05	0.00	16.61	6.59	46.50	41.76	35.83	51.65	1.31	0.00	0.57	1.41	1.46

\* Based on 2013 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 6. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES Geography: MISSISSIPPI Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013															
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 Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
MS non-MSA	457	100.00	1.54	2.63	22.88	18.82	42.24	40.04	33.34	38.51	7.49	14.63	6.90	7.81	7.91

\* Based on 2013 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 (2013).

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

Geographic Distribution: SMALL LOANS TO FARMS Geography: MISSISSIPPI Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013															
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>															
MS non-MSA	74	100.00	0.12	0.00	24.03	9.46	44.20	66.22	31.64	24.32	8.06	0.00	3.30	10.97	8.05

\* Based on 2013 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 (2013).

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

Borrower Distribution: HOME PURCHASE Geography: MISSISSIPPI Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013															
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**	% Families10	% BANK Loans**	% Families***	% BANK Loans****	% Families**	% BANK Loans****	Overa ll	Low	Mod	Mid	Upp
<b>Full Review:</b>															
MS non-MSA	38	100.00	22.63	5.41	15.59	13.51	17.26	21.62	44.52	59.46	1.25	0.00	0.59	1.89	1.18

\* Based on 2013 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 2.6% of loans originated and purchased by bank. 10 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, 2012 TO DECEMBER 31, 2013															
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 11	% BANK Loans****	% Families**	% BANK Loans****	% Families**	% BANK Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
MS non-MSA	88	100.00	22.63	13.64	15.59	21.59	17.26	19.32	44.52	45.45	7.69	17.65	10.91	4.44	6.57

\* Based on 2013 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.

11 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, 2012 TO DECEMBER 31, 2013															
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 12	% BANK Loans****	% Families**	% BANK Loans****	% Families**	% BANK Loans***	Overa II	Low	Mod	Mid	Upp
<b>Full Review:</b>															
MS non-MSA	91	100.00	22.63	1.12	15.59	8.99	17.26	12.36	44.52	77.53	1.51	0.00	1.05	0.95	1.84

\* Based on 2013 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 2.2% of loans originated and purchased by bank.

12 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, 2012 TO DECEMBER 31, 2013									
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>									
MS non-MSA	457	100.00	71.53	76.37	77.90	14.66	7.44	7.49	10.63

\* Based on 2013 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 - 2013).

\*\*\*\* 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 1.97% 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, 2012 TO DECEMBER 31, 2013									
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>									
MS non-MSA	74	100.00	98.19	94.59	83.78	14.86	1.35	8.06	9.50

\* Based on 2013 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 - 2013).

\*\*\*\* 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: MISSISSIPPI Evaluation Period: JANUARY 4, 2011 TO DECEMBER 31, 2014									
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>									
MS non-MSA	0	0	13	2,637	13	2,637	33.22	0	0
MS Statewide not serving any AA(s)	0	0	4	5,302	4	5,302	66.78	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 4, 2011 TO DECEMBER 31, 2014																	
MA/Assessment Area:	Deposit s	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposit s in AA	# of BANK Branch es	% of Rated Area Branch es in AA	Location of Branches by Income of Geographies (%)				# of Branch Openin gs	# of Branch Closing s	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>																	
MS non-MSA	100.00	14	100.00	0.00	42.86	14.29	42.86	0	5	0	-1	-3	-1	1.49	19.02	46.83	32.66

**Table 1. Lending Volume**

LENDING VOLUME Geography: TENNESSEE Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014												
Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
Memphis MSA	84.95	36	6,498	122	23,339	0	0	0	0	158	29,837	100.00
<b>Limited Review:</b>												
Nashville-Davidson-Murfreesboro-Franklin MSA	15.05	4	535	23	2,308	1	11	0	0	28	2,854	0.00

\* Loan Data as of December 31, 2014. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from January 04, 2011 to December 31, 2014.

\*\*\* Deposit Data as of June 30, 2014. 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: TENNESSEE Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014															
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>															
Memphis MSA	13	92.86	10.29	0.00	19.18	0.00	22.82	0.00	47.70	100.00	0.06	0.00	0.00	0.00	0.08
<b>Limited Review:</b>															
Nashville-Davidson-Murfreesboro-Franklin MSA	1	7.14	0.00	0.00	2.85	100.00	9.01	0.00	88.14	0.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2013 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: TENNESSEE Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014															
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	Overa ll	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Memphis MSA	2	100.00	10.29	0.00	19.18	0.00	22.82	0.00	47.70	100.00	0.15	0.00	0.00	0.00	0.30
<b>Limited Review:</b>															
Nashville-Davidson-Murfreesboro-Franklin MSA	0	0.00	0.00	0.00	2.85	0.00	9.01	0.00	88.14	0.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2013 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: TENNESSEE Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014															
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 MSA	21	87.50	10.29	0.00	19.18	4.76	22.82	14.29	47.70	80.95	0.03	0.00	0.00	0.00	0.04
<b>Limited Review:</b>															
Nashville-Davidson-Murfreesboro-Franklin MSA	3	12.50	0.00	0.00	2.85	0.00	9.01	33.33	88.14	66.67	0.01	0.00	0.00	0.00	0.02

\* Based on 2013 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: TENNESSEE Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014																
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*					
	#	% of Total**	% of MF Units***	% BANK Loans****	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Overall	Low	Mod	Mid
<b>Full Review:</b>																
Memphis MSA	0	0.00	25.97	0.00	27.08	0.00	21.65	0.00	25.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Limited Review:</b>																
Nashville-Davidson-Murfreesboro-Franklin MSA	0	0.00	0.00	0.00	2.58	0.00	16.79	0.00	80.62	0.00	0.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2013 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: TENNESSEE Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014															
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 Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Memphis MSA	118	83.69	10.93	2.54	19.61	22.03	21.31	18.64	47.16	56.78	0.36	0.20	0.35	0.35	0.37
<b>Limited Review:</b>															
Nashville-Davidson-Murfreesboro-Franklin MSA	23	16.31	0.00	0.00	5.44	13.04	13.01	17.39	81.55	69.57	0.17	0.00	0.00	0.33	0.16

\* Based on 2013 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: TENNESSEE Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014															
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 MSA	0	0.00	7.15	0.00	16.20	0.00	21.71	0.00	54.44	0.00	0.00	0.00	0.00	0.00	0.00
<b>Limited Review:</b>															
Nashville-Davidson-Murfreesboro-Franklin MSA	1	100.00	0.00	0.00	2.31	0.00	20.92	0.00	76.77	100.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2013 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: TENNESSEE Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014															
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 13	% BANK Loans**	% Families***	% BANK Loans****	% Families**	% BANK Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Memphis MSA	13	92.86	25.23	7.69	16.13	7.69	16.49	15.38	42.16	69.23	0.07	0.20	0.00	0.05	0.10
<b>Limited Review:</b>															
Nashville-Davidson-Murfreesboro-Franklin MSA	1	7.14	8.95	100.00	10.37	0.00	15.02	0.00	65.65	0.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2013 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 0.0% of loans originated and purchased by bank.

13 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: TENNESSEE Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014															
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 14	% BANK Loans****	% Families**	% BANK Loans****	% Families**	% BANK Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Memphis MSA	2	100.00	25.23	0.00	16.13	0.00	16.49	0.00	42.16	100.00	0.16	0.00	0.00	0.00	0.36
<b>Limited Review:</b>															
Nashville-Davidson-Murfreesboro-Franklin MSA	0	0.00	8.95	0.00	10.37	0.00	15.02	0.00	65.65	0.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2013 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.

14 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: TENNESSEE Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014															
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 15	% BANK Loans****	% Families**	% BANK Loans****	% Families*	% BANK Loans***	Overa II	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Memphis MSA	21	87.50	25.23	5.00	16.13	0.00	16.49	15.00	42.16	80.00	0.03	0.00	0.00	0.00	0.05
<b>Limited Review:</b>															
Nashville-Davidson-Murfreesboro-Franklin MSA	3	12.50	8.95	0.00	10.37	33.33	15.02	33.33	65.65	33.33	0.02	0.00	0.00	0.10	0.00

\* Based on 2013 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 4.2% of loans originated and purchased by bank.

15 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: TENNESSEE Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014									
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 MSA	122	84.14	68.14	72.13	57.38	22.13	20.49	0.36	0.65
<b>Limited Review:</b>									
Nashville-Davidson-Murfreesboro-Franklin MSA	23	15.86	71.86	52.17	65.22	34.78	0.00	0.17	0.17

\* Based on 2013 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 2.76% 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: TENNESSEE Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014									
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 MSA	0	0.00	94.41	0.00	0.00	0.00	0.00	0.00	0.00
<b>Limited Review:</b>									
Nashville-Davidson-Murfreesboro-Franklin MSA	1	100.00	98.02	100.00	100.00	0.00	0.00	0.00	0.00

\* Based on 2013 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: TENNESSEE Evaluation Period: JANUARY 4, 2011 TO DECEMBER 31, 2014									
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 MSA	0	0	5	2,330	5	2,330	93.61	0	0
<b>Limited Review:</b>									
Nashville-Davidson-Murfreesboro-Franklin MSA	0	0	1	52	1	52	2.09	0	0
TN Statewide not serving any AA(s)	0	0	1	107	1	107	4.30	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: TENNESSEE Evaluation Period: JANUARY 4, 2011 TO DECEMBER 31, 2014																	
MA/Assessment Area:	Deposit s	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposit s in AA	# of BANK Branch es	% of Rated Area Branch es in AA	Location of Branches by Income of Geographies (%)				# of Branch Openin gs	# of Branch Closing s	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 MSA	100.00	4	100.00	0.00	0.00	25.00	75.00	0	1	0	0	0	-1	16.37	23.26	22.09	37.75
<b>Limited Review:</b>																	
Nashville-Davidson- Murfreesboro-Franklin MSA	0.00	0	0.00	0.00	0.00	0.00	0.00	0	2	-1	0	-1	0	0.00	3.45	9.11	87.43

**Table 1. Lending Volume**

LENDING VOLUME Geography: TEXAS Evaluation Period: SEPTEMBER 14, 2012 TO DECEMBER 31, 2014												
Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
Houston-The Woodlands-Sugar Land MSA	92.81	1,027	288,028	404	124,921	2	575	18	83,885	1,451	497,409	98.22
<b>Limited Review:</b>												
San Antonio-New Braunfels MSA	7.19	77	16,501	34	17,376	0	0	4	14,481	115	48,358	1.78

\* Loan Data as of December 31, 2014. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from September 14, 2012 to December 31, 2014.

\*\*\* Deposit Data as of June 30, 2014. 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: SEPTEMBER 14, 2012 TO DECEMBER 31, 2014															
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-The Woodlands-Sugar Land MSA	625	94.41	4.39	3.20	21.65	5.60	28.99	13.60	44.97	77.60	0.22	0.07	0.09	0.13	0.28
<b>Limited Review:</b>															
San Antonio-New Braunfels MSA	37	5.59	5.31	0.00	26.57	0.00	32.30	5.41	35.82	94.59	0.05	0.00	0.00	0.00	0.09

\* Based on 2013 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: SEPTEMBER 14, 2012 TO DECEMBER 31, 2014															
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>															
Houston-The Woodlands-Sugar Land MSA	212	87.97	4.39	0.00	21.65	2.36	28.99	12.26	44.97	85.38	2.53	0.00	0.27	1.57	3.64
<b>Limited Review:</b>															
San Antonio-New Braunfels MSA	29	12.03	5.31	0.00	26.57	0.00	32.30	3.45	35.82	96.55	0.52	0.00	0.00	0.00	1.13

\* Based on 2013 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: SEPTEMBER 14, 2012 TO DECEMBER 31, 2014															
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-The Woodlands-Sugar Land MSA	186	94.42	4.39	0.00	21.65	1.61	28.99	5.91	44.97	92.47	0.13	0.00	0.03	0.03	0.18
<b>Limited Review:</b>															
San Antonio-New Braunfels MSA	11	5.58	5.31	0.00	26.57	18.18	32.30	0.00	35.82	81.82	0.01	0.00	0.00	0.00	0.02

\* Based on 2013 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: SEPTEMBER 14, 2012 TO DECEMBER 31, 2014																
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*					
	#	% of Total**	% of MF Units***	% BANK Loans****	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Overall	Low	Mod	Mid
<b>Full Review:</b>																
Houston-The Woodlands-Sugar Land MSA	4	100.00	23.45	0.00	31.38	25.00	20.66	0.00	24.51	75.00	0.26	0.00	0.00	0.00	0.00	0.98
<b>Limited Review:</b>																
San Antonio-New Braunfels MSA	0	0.00	7.41	0.00	35.94	0.00	31.38	0.00	25.27	0.00	0.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2013 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: TEXAS Evaluation Period: SEPTEMBER 14, 2012 TO DECEMBER 31, 2014															
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 Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Houston-The Woodlands-Sugar Land MSA	404	92.24	8.63	6.93	19.91	11.88	24.19	16.58	47.21	64.60	0.18	0.16	0.09	0.12	0.26
<b>Limited Review:</b>															
San Antonio-New Braunfels MSA	34	7.76	5.63	11.76	23.86	20.59	30.01	26.47	40.20	41.18	0.07	0.16	0.06	0.07	0.07

\* Based on 2013 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: SEPTEMBER 14, 2012 TO DECEMBER 31, 2014															
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-The Woodlands-Sugar Land MSA	2	100.00	5.36	0.00	17.82	0.00	30.32	0.00	46.50	100.00	0.27	0.00	0.00	0.00	0.60
<b>Limited Review:</b>															
San Antonio-New Braunfels MSA	0	0.00	4.25	0.00	19.56	0.00	31.36	0.00	44.75	0.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2013 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: SEPTEMBER 14, 2012 TO DECEMBER 31, 2014															
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 16	% BANK Loans**	% Families***	% BANK Loans****	% Families**	% BANK Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Houston-The Woodlands-Sugar Land MSA	625	94.41	24.31	0.00	16.65	0.86	17.38	2.57	41.67	96.57	0.25	0.00	0.00	0.03	0.40
<b>Limited Review:</b>															
San Antonio-New Braunfels MSA	37	5.59	24.03	0.00	17.32	0.00	19.23	0.00	39.43	100.00	0.05	0.00	0.00	0.00	0.11

\* Based on 2013 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 6.5% of loans originated and purchased by bank. 16 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: SEPTEMBER 14, 2012 TO DECEMBER 31, 2014															
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 17	% BANK Loans****	% Families**	% BANK Loans****	% Families**	% BANK Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Houston-The Woodlands-Sugar Land MSA	212	87.97	24.31	0.00	16.65	0.47	17.38	4.72	41.67	94.81	2.62	0.00	0.00	1.09	3.68
<b>Limited Review:</b>															
San Antonio-New Braunfels MSA	29	12.03	24.03	0.00	17.32	0.00	19.23	0.00	39.43	100.00	0.54	0.00	0.00	0.00	1.02

\* Based on 2013 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.

17 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: SEPTEMBER 14, 2012 TO DECEMBER 31, 2014															
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 18	% BANK Loans****	% Families**	% BANK Loans****	% Families*	% BANK Loans***	Overa II	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Houston-The Woodlands-Sugar Land MSA	186	94.42	24.31	0.00	16.65	1.12	17.38	3.35	41.67	95.53	0.14	0.00	0.03	0.00	0.21
<b>Limited Review:</b>															
San Antonio-New Braunfels MSA	11	5.58	24.03	0.00	17.32	0.00	19.23	0.00	39.43	100.00	0.02	0.00	0.00	0.00	0.03

\* Based on 2013 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 3.6% of loans originated and purchased by bank.

18 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: SEPTEMBER 14, 2012 TO DECEMBER 31, 2014									
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-The Woodlands-Sugar Land MSA	404	92.24	71.43	40.10	36.88	23.76	39.36	0.18	0.19
<b>Limited Review:</b>									
San Antonio-New Braunfels MSA	34	7.76	70.52	55.88	2.94	23.53	73.53	0.07	0.06

\* Based on 2013 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 2.05% 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: SEPTEMBER 14, 2012 TO DECEMBER 31, 2014									
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-The Woodlands-Sugar Land MSA	2	100.00	96.21	50.00	50.00	0.00	50.00	0.27	0.47
<b>Limited Review:</b>									
San Antonio-New Braunfels MSA	0	0.00	96.86	0.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2013 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: SEPTEMBER 14, 2012 TO DECEMBER 31, 2014									
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-The Woodlands-Sugar Land MSA	4	1,239	20	9,832	24	11,071	98.59	0	0
<b>Limited Review:</b>									
San Antonio-New Braunfels MSA	0	0	0	0	0	0	0.00	0	0
TX Statewide not serving any AA(s)	0	0	1	158	1	158	1.41	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: SEPTEMBER 14, 2012 TO DECEMBER 31, 2014																	
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-The Woodlands-Sugar Land MSA	98.22	13	92.860	0.00	0.00	0.00	100.00	1	0	0	0	0	+1	10.24	26.94	27.68	34.81
<b>Limited Review:</b>																	
San Antonio-New Braunfels MSA	1.78	1	7.14	0.00	0.00	0.00	100.00	1	0	0	0	0	+1	7.73	31.87	30.81	29.58

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS Geography: BROADER REGIONAL AREA Evaluation Period: OCTOBER 10, 2010 TO DECEMBER 31, 2014									
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Region, serving one or more AA(s)	0	0	8	3,600	8	3,600	97.53	0	0
Region, does not serve any AA(s)	0	0	1	91	1	91	2.47	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.

