



**LARGE BANK**

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## **Public Disclosure**

February 25, 2002

# **Community Reinvestment Act Performance Evaluation**

**National Bank of Commerce  
Charter Number: 3656**

**NBC Plaza, 301 East Main Street  
Starkville, MS 39759**

**Office of the Comptroller of the Currency**

**ADC - Birmingham  
100 Concourse Parkway Suite 240  
Birmingham, AL 35244**

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

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## Overall CRA Rating

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

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

Performance Levels	National Bank of Commerce Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding	<b>X</b>		
High Satisfactory			<b>X</b>
Low Satisfactory		<b>X</b>	
Needs to Improve			
Substantial Noncompliance			

\* The lending Test is weighted more heavily than the investment and service tests when arriving at an overall rating.

The major factors that support this rating include:

- Lending levels reflect a good responsiveness by NBC to the credit needs of its AA.
- A high percentage of loans are made in the AA.
- A good distribution of NBC's loans among geographies and an excellent distribution among borrowers of different income levels and businesses of different sizes.
- NBC uses flexible lending practices in serving the AA credit needs.
- Makes a relatively high level of community development loans.
- Investments that reflect an adequate responsiveness to needs of its AA.
- Service delivery systems are accessible to geographies and individuals of different income levels in the AA.
- The level of community development services is good based on the type services provided and number of participating employees.

## 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.

**Block Numbering Area (BNA):** A statistical subdivision of a county for grouping and numbering blocks in non-metropolitan counties where local census statistical area committees have not established census tracts. A BNA does not cross county lines.

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

**Community Development:** Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

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

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

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male household and no wife present) or 'female householder' (a family with a female householder and no husband present).

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

**Geography:** A census tract or a block numbering area 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 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).

**Home Mortgage Loans:** such loans include home purchase and home improvement loans, as defined in the HMDA regulation. This definition also includes loans for multifamily (five or more families) dwellings, loans for the purchase of manufactured homes and refinancing of home improvement and home purchase loans.

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

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

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

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

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine the income level category of

individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

**Metropolitan Area (MA):** Any primary metropolitan area (PMA), metropolitan area (MA), or consolidated metropolitan area (CMA), as defined by the Office of Management and Budget, with a population of 250,000 or more, and any other area designated as such by the appropriate federal financial supervisory agency.

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

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

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

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

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

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

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

**Small Loan(s) to Business(es):** A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

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

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

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

## Description of Institution

NBC, an interstate bank, is a subsidiary of NBC Capital Corporation, a one-bank holding company headquartered in Starkville, Mississippi (MS). The corporation is a full-service financial services company that provides banking, insurance, trust, mortgage banking, and investment services throughout East Mississippi and West Alabama (AL). The holding company has been in existence since 1889. Other subsidiaries of the holding company are First National Finance Company and NBC Service Corporation. NBC Service Corporation has one subsidiary, Commerce National Insurance Company.

On December 31, 1998, NBC Capital Corporation acquired First National Corporation of West Point. Immediately following the merger, First National's wholly owned subsidiaries, First National Bank of West Point and National Bank of the South were merged into NBC of MS and NBC of Tuscaloosa, respectively. Concurrently, the corporation's subsidiary, NBC of Tuscaloosa, was merged into NBC of MS. NBC of MS was the surviving institution and its name changed to NBC. NBC has two subsidiaries, GCM Insurance and NBC Insurance Service of AL, Inc. The activities of the subsidiaries have no CRA impact and are not included in this Performance Evaluation.

As of December 31, 2001, NBC had total assets of \$1.05 billion. The major categories of the bank's \$622 million loan portfolio were as follows: 5% for commercial real estate; 35% for 1-4 family residential; 22% for nonfarm nonresidential; 15% for commercial and industrial; 15% for consumer and 8% other loans. The percent of the bank's total assets as represented by net loans is 59%. NBC's Tier 1 risk based capital to risk weighted assets equals 14.63% and Tier 1 leverage capital equals 9.41%.

NBC offers a full range of traditional banking products and services. The bank also offers an array of business accounts services, business lending, business deposit accounts, and cash management. Consumer and mortgage loans are also offered through various loan programs. In addition, NBC extends loans under the Small Business Administration (SBA) program and offers a variety of financing options for small businesses. NBC is primarily a small business lender.

There is no legal, financial, or other factors impeding the bank's ability to help meet the credit needs of its assessment area. The bank's rating at its preceding CRA examination, dated October 5, 1998, was "*Satisfactory.*"

# Scope of the Evaluation

## Evaluation Period/Products Evaluated

With the exception of community development (CD) loans, the evaluation period for the Lending Test is January 1, 1998 through December 31, 2001. For CD loans, the Investment Test and the Service Test, the evaluation period is January 1, 1998 through February 25, 2002.

For the Lending Test, NBC's origination/purchase of home mortgage loans, small loans to businesses, small loans to farms and CD loans were evaluated.

The last CRA evaluation of NBC covered a period through December 31, 1997.

## Data Integrity

As part of this CRA evaluation, NBC's publicly filed information on home mortgage loans and small loans to businesses was tested for accuracy. The test included an evaluation of NBC's processes to ensure that data are reliable.

We did not identify any significant errors in the reporting of the home mortgage and CRA data. As a result, this evaluation is based on accurate data.

CD loans, investments and services submitted by NBC management were verified to ensure that they met the regulatory definition for CD. Some items submitted by NBC for consideration were excluded from this evaluation because they did not meet the definition or purpose of CD.

## Selection of Areas for Full-Scope Review

NBC has two assessment areas (AA) for this CRA performance evaluation. The first AA is comprised of eight counties located in non-MSAs in the state of Mississippi. All of the non-MSAs are geographically proximate with similar performance contexts. The second AA is comprised of the Tuscaloosa MSA located in the state of Alabama. Both areas received full scope reviews. These AAs account for 100% of NBC's deposits and lending activity over the evaluation period. The ratings are based primarily on conclusions reached in the evaluation of the Mississippi (MS) non-MSA AA and the Tuscaloosa MSA.

Refer to the "Scope" section under each State Rating for details regarding how the areas were selected.

## Ratings

The bank's overall rating is a blend of the state ratings. The state of Mississippi rating received the most weight since a significant majority of NBC's deposits and loans and a substantial majority of bank offices are located in this rated area. The state of Alabama

received the least weight since approximately 17% of NBC's deposits are located in the rated area.

The state ratings are based primarily on those areas that received full-scope reviews. Refer to the "Scope" section under each state rating for details regarding how the areas were weighted in arriving at the overall state rating.

## **Fair Lending Review**

An analysis of the current year's public comments, consumer complaint information and HMDA and small business data was performed according to the OCC's risk based fair lending approach. Based on its analysis of the information, the OCC decided that a comprehensive fair lending examination would not need to be conducted in connection with the CRA evaluation this year. The latest comprehensive fair lending exam was performed in February 1999.

## State Rating

### State of Mississippi

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

- Lending levels reflect a good responsiveness by NBC to the credits needs of its AA.
- A high percentage of loans are made in the AA.
- A good distribution of NBC's loans among geographies and an excellent distribution among borrowers of different income levels and businesses of different sizes.
- NBC uses flexible lending practices in serving the AA credit needs.
- Makes a relatively high level of community development loans.
- Investments that reflect an adequate responsiveness to needs of its AA.
- Service delivery systems are accessible to geographies and individuals of different income levels in the AA.
- The level of community development services is good based on the type services provided and number of participating employees.

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

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

## **Scope of Evaluation in Mississippi**

The scope of the evaluation in Mississippi included a full-scope review of the non-MSA assessment area (AA). The MS non-MSA AA represents the bank's largest market area and accounts for 87% of the bank's deposits as of December 31, 2001. See Appendix A for more information.

We placed the most weight on the bank's small loans to businesses and home mortgage loans when evaluating CRA performance based on identified credit needs and the fact that these products were granted more than any other bank products.

We performed a community contact during this CRA examination and a review was made of community contact forms compiled by other regulatory agencies for this assessment area. The type of organization contacted was the local Chamber of Commerce. The primary credit needs identified by this contact were small business loans (start-up and working capital). The need for small business loans, investments and services in both AAs was considered in our evaluation of the bank's performance under the Lending, Investment and Service Tests. Refer to the Market Profiles in Appendix C of this Evaluation for more information.

## **LENDING TEST**

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

The bank's performance under the Lending Test in Mississippi is rated "Outstanding". Based on full-scope reviews, the bank's performance in the MS non-MSA AA is excellent.

### **Lending Activity**

Refer to Tables 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.

In this full-scope AA, approximately 57% of the loans originated/purchased during the evaluation period were small business loans, with home mortgage loans and small loans to farms comprising the remainder.

Among home mortgage loan originations/purchases, approximately 34% were for home purchase, 49% were for home improvement loans and 17% were for home mortgage refinance loans.

The bank's lending activity is good in the MS non-MSA AA. In the MS non-MSA AA, NBC ranks 1st in terms of deposit market share at 29%. Based on 2000 CRA aggregate data, NBC ranks 1st in small loans to businesses with a 24% market share.

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

The geographic distribution of loans throughout the full-scope assessment area (AA) is good. The geographic distribution of small loans to businesses and home mortgage loans is good. The distribution of small loans to farms is excellent. There are no low-income geographies in the bank's AA.

#### ***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/purchases.

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

Home purchase loan geographic distribution is good in the full-scope AA. In the MS non-MSA AA, the portion of home purchase loans made in moderate-income tracts is near to the portion of owner-occupied housing units that are within those geographies. The market share for loans made in moderate-income geographies exceeds the bank's overall market share for home purchase loans.

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

Home improvement loan geographic distribution is good in the full-scope AA. In the MS non-MSA AA, the portion of home improvement loans made in moderate-income tracts is near to the portion of owner-occupied housing units that are within those geographies. The market share for loans made in moderate-income geographies exceeds the bank's overall market share for home improvement loans.

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

Home refinance loan geographic distribution is adequate in the full-scope AA. In the MS non-MSA AA, the portion of home refinance loans made in moderate-income tracts is somewhat lower than the portion of owner-occupied housing units that are within those geographies. The market share for loans made in moderate-income geographies is somewhat lower than the bank's overall market share for home refinance loans.

### ***Multifamily Loans***

The volume of NBC's multifamily loans originated in the full-scope AA was not significant enough to perform a meaningful analysis. The bank originated eleven multifamily loans in the full-scope AA for this evaluation period.

### ***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 origination/purchase of small loans to businesses.

The geographic distribution of small loans to businesses is good in the full-scope AA. The portion of small loans to businesses made in moderate-income geographies is near to the portion of businesses that are within those geographies. The market share for loans made in moderate-income geographies exceeds the bank's overall market share for 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 origination/purchase of small loans to farms.

The geographic distribution of small loans to farms is excellent in the full-scope AA. The portion of small loans to farms made in moderate-income geographies exceeds the portion of farms that are within those geographies. The market share for loans made in moderate-income geographies exceeds the bank's overall market share for small loans to farms.

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

Maps and reports detailing the bank's lending activity over the evaluation period for home mortgage loans, small loans to businesses and small loans to farms were reviewed to identify gaps in the geographic distribution of those loans. No unexplained conspicuous gaps were identified.

### ***Inside/Outside Ratio***

A high percentage of the small loans to businesses, home mortgage loans, small loans to farms and CD loans originated/purchased by the bank over the evaluation period were within its AA. Overall, 82% of NBC's loan originations were within its AA. By loan product, 83% of home mortgage loans, 80% of small loans to businesses, 87% of small loans to farms and 100% of CD loans were within its AA. This performance was a positive factor in the overall analysis of the geographic distribution of lending by income level of geography. This analysis was performed on the entire bank rather than by AA.

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

The overall distribution of loans by income level of the borrower in the AA receiving full-scope reviews was excellent. The distribution of home mortgage loans was good. The distribution of small loans to businesses by revenue size was excellent. The distribution of small loans to farms was excellent.

In evaluating the borrower distribution of home mortgage loans, we considered the number of families that live below the poverty level and the barriers that this may have on home ownership. According to 1990 Census data, ninety-four percent of low-income families live below the poverty level as compared to 21% of all families in the AA. In the AA, low-income families comprise 22% of all families. This factor makes it very difficult for low- and moderate-income families to afford and maintain a home.

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

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.

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

Home purchase loan borrower distribution is adequate in the full-scope AA. The portion of home purchase loans made to low-income borrowers was significantly lower than the portion of low-income families defined as such. The portion of home purchase loans made to moderate-income borrowers exceeds the portion of moderate-income families residing in the AA. The bank's home purchase loan market share to low-income borrowers was lower than its overall market share. The bank's market share to moderate-income borrowers was lower than its overall market share.

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

Home improvement loan borrower distribution is excellent full-scope AA. The portion of home improvement loans made to low-income borrowers was lower than the portion of low-income families defined as such. The portion of home improvement loans to moderate-income borrowers exceeds the portion of moderate-income families residing in the AA. The bank's home improvement loan market share to low-income borrowers is near to its overall market share. The bank's market share to moderate-income borrowers exceeds its overall market share.

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

Home mortgage refinance loan borrower distribution is good in the full-scope AA. The portion of home mortgage refinance loans to low-income borrowers is significantly lower than the portion of low-income families defined as such. The portion of home mortgage refinance loans to moderate-income borrowers exceeds the portion of moderate-income families residing in the AA. The bank's home mortgage refinance loan market share to

low-income borrowers is near to its overall market share. The bank's market share to moderate-income borrowers is lower than its overall market share.

### ***Multifamily Loans***

The volume of NBC's multifamily loans originated in the full-scope AA was not significant enough to perform a meaningful analysis. The bank originated eleven multifamily loans in the full-scope AA for this evaluation period.

### ***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 origination and purchase of small loans to businesses.

The borrower distribution of small loans to businesses is excellent in the full-scope AA. NBC's portion of small loans to businesses (businesses with annual revenues \$1 million dollars or less) exceeds the portion of businesses in the AA. The portion of loans of \$100,000 or less in the AA exceeds the portion of businesses that are defined as small in the MS non-MSA AA. In addition, the market share of small loans made to small businesses exceeds NBC's overall market share for small loans to all businesses.

### ***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 origination/purchase of small loans to businesses.

The borrower distribution of small loans to farms is excellent in the full-scope AA. NBC's portion of small loans to farms (farms with annual revenues \$1 million dollars or less) exceeds the portion of farms in the AA. The portion of loans of \$100,000 or less in the AA exceeds the portion of farms that are defined as small in the MS non-MSA AA. In addition, the market share of small loans made to farms equals NBC's overall market share for small loans to all farms.

### **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 community development lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multi-family loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

CD lending had a positive impact on the Lending Test conclusions for the full-scope AA. NBC makes a relatively high level of community development loans.

During the evaluation period, NBC originated 15 CD loans totaling \$8.06 million in the AA. This dollar amount represents approximately 10% of Tier 1 capital on a pro-rata basis based on deposits in the full-scope AA. The bank's CD lending focused on addressing some of the communities most pressing credit needs for affordable housing and for qualified CD services targeted to low- and moderate-income individuals.

Given the limited capacity of the AA to engage in CD lending (refer to the Market Profile in Appendix C), the number and particularly the dollar amount of CD loans are significant. None of the loans are considered complex or innovative. In addition, the bank has originated other loans with CD characteristics in the AA that were included in the home mortgage lending totals that had a positive impact on the AA.

## **Product Innovation and Flexibility**

NBC uses flexible lending practices in serving the AA credit needs. Product flexibility had a positive impact on the Lending Test, and were responsive to identified credit needs. Bank-wide, NBC offers flexible mortgage-related lending programs serving low- and moderate-income borrowers in the AA. None of the programs are considered innovative. These loan products are available at all full service banking offices. Some of these special programs are described as follows:

NBC 1<sup>st</sup> Mortgage Purchase Money Program: This is a proprietary bank program targeted for low and moderate-income applicants or real estate located in low and moderate-income geographies. Currently, the bank has allocated \$1.5 million this year for owner-occupied housing. Down payment assistance will be available for these loans through the Federal Home Loan Bank Helping Hands Program. Up to \$500 per loan may be given to the homebuyer to be used as all or part of their down payment. During this evaluation period, NBC originated 132 loans totaling \$4.4 million in the MS non-MSA AA.

NBC Home Improvement/Rehabilitation Program: The bank allocates \$2 million per year for the renovation and rehabilitation of deteriorated property within the bank's AA. This program is geared to low- and moderate-income borrowers or property that is located in low- and moderate-income geographies. During this evaluation period, NBC originated 152 loans totaling \$4.9 million in the MS non-MSA AA.

Small Personal Loans: NBC funds personal consumer loans for amounts less than \$2,000. NBC has funded 1,340 loans for approximately \$871,000 for years 1998- 2001. These loans are made to primarily low- and moderate-income borrowers.

## **INVESTMENT TEST**

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

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

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.

Based on the limited opportunities in the AA, the bank's level of qualified investments is adequate. Refer to the market profile in Appendix B for more information on the investment opportunities in the bank's AA. During this evaluation period, the bank originated 22 grants and donations to 13 CD organizations totaling \$31,650. These grants and donations were to organizations that had as their primary mission affordable housing for low-and moderate-income people, and CD initiatives throughout the AA. These investments are not considered innovative or complex in nature.

## **SERVICE TEST**

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

The bank's performance under the Service Test in Mississippi is rated "High Satisfactory". Based on full-scope reviews, the bank's performance in the MS non-MSA AA is good.

Service delivery systems are accessible to geographies and individuals of different income levels throughout the full-scope assessment area. The opening and closing of branches have not adversely affected the accessibility of NBC's delivery systems. The bank's performance providing CD services is good.

### **Retail Banking Services**

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

NBC's delivery systems are accessible to geographies and individuals of different income levels throughout the full-scope assessment area. The bank's percentage of branches in moderate-income geographies exceeds the percentage of the population located in moderate-income geographies. There are no low-income geographies in the bank's AA.

The bank's record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly to low- and moderate-income geographies and low- and moderate-income individuals. During this evaluation period, NBC closed one branch in a middle-income geography and opened one branch in an upper-income geography.

NBC's office hours and services in the full-scope AA are comparable among locations regardless of the income level of the geography. Branch hours do not differ significantly and do not affect low-and moderate-income geographies adversely.

## **Community Development Services**

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

Examples of the types of financial services provided include: serving on the board, providing credit counseling or technical financial expertise to CD organizations that provide community services to lo-and moderate-income individuals.

## State Rating

### State of Alabama

<b>CRA Rating for Alabama:</b>	<b>Outstanding</b>
<b>The lending test is rated:</b>	<b>Outstanding</b>
<b>The investment test is rated:</b>	<b>High Satisfactory</b>
<b>The service test is rated:</b>	<b>High Satisfactory</b>

The major factors that support this rating include:

- Lending levels reflect an excellent responsiveness by NBC to the credit needs of its AA.
- A high percentage of loans are made in the AA.
- A good distribution of NBC's loans among geographies and an excellent distribution among borrowers of different income levels and businesses of different sizes.
- Investments reflect a good responsiveness to needs of its AA.
- Service delivery systems are accessible to geographies and individuals of different income levels in the AA.
- Makes use of flexible lending practices in serving the AA credit needs.
- Provides a relatively high level of community development services.

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

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

## **Scope of Evaluation in Alabama**

The scope of the evaluation in Alabama included a full-scope review of the Tuscaloosa MSA assessment area. The Tuscaloosa MSA represents 100% of the bank's AA in the state of Alabama. This assessment area accounts for 13% of the deposits as of December 31, 2001. See Appendix A for more information.

We placed the most weight on the bank's small loans to businesses and lesser weight on home mortgage loans when evaluating CRA performance based on identified credit needs and the fact that these products were granted more than any other bank products.

We performed a review of recent community contact forms compiled by other regulatory agencies for this assessment area. The types of organizations contacted indicated that the primary credit needs of the community were small business loans and affordable housing loans. The need for affordable housing is significant as a large segment of the community lives below the poverty level.

The need for affordable housing and small business loans, investments and services in the AA was considered in our evaluation of the bank's performance under the Lending, Investment and Service Tests. Refer to the Market Profiles in Appendix C of this Evaluation for more information.

## **LENDING TEST**

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

The bank's performance under the lending test in Alabama is rated "Outstanding". Based on full-scope reviews, the bank's performance in the Tuscaloosa MSA is excellent.

### **Lending Activity**

Refer to Tables 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.

In this full-scope AA, approximately 78% of all loans originated/purchased during the evaluation period were small loans to businesses, with home mortgage loans comprising the majority of the remainder at 20%.

Among home mortgage loan originations/purchases, approximately 35% were for home purchase, 49% were for home improvement loans and 15% were for home mortgage refinance loans.

The bank's lending activity is excellent in the Full Scope AA. In the Full Scope AA, NBC ranks 7th in terms of deposit market share at 5.68%. Based on 2000 CRA aggregate data, NBC is the second largest originator/purchaser of home improvement loans with a 17% market share in the MSA and ranks 6th in businesses loans with a 6.17% market share.

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

The geographic distribution of loans throughout the full-scope assessment area (AA) is good. The geographic distribution of small loans to businesses is good. The geographic distribution of home mortgage loans is excellent. The volume of NBC's small loans to farms was not significant enough to perform a meaningful analysis.

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

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/purchases.

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

Home purchase loan geographic distribution is good in the full-scope AA. In the Tuscaloosa MSA, the portion of home purchase loans made in moderate-income tracts equals the portion of owner-occupied housing units that are within those geographies. The market share for loans made in moderate-income geographies exceeds the bank's overall market share for home purchase loans. There were no home purchase loans granted in low-income geographies. Since less than two-percent of the homes in low-income geographies are owner-occupied, the bank's ability to extend home purchase loans in this geography is difficult.

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

Home improvement loan geographic distribution is excellent in the full-scope AA. In the Tuscaloosa MSA, the portion of home improvement loans made in low-income tracts exceeds the portion of owner-occupied housing units that are within those geographies. The portion of home improvement loans made in moderate-income tracts exceeds the portion of owner-occupied housing units that are within those geographies. The market share for loans made in low-income geographies exceeds the bank's overall market share for home improvement loans. The market share for loans made in moderate-income geographies exceeds the bank's overall market share for home improvement loans.

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

The number and amount of home refinance loans originated in the full-scope AA were immaterial and not evaluated for analytical purposes. The bank originated only 35 home refinance loans in full-scope AA for this evaluation period.

### ***Multifamily Loans***

The number and amount of multifamily loans originated in the full-scope AA were not evaluated for analytical purposes. The bank originated three multifamily loans in full-scope AA for this evaluation period.

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

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 origination/purchase of small loans to businesses.

The geographic distribution of small loans to businesses is adequate in the full-scope AA. The portion of small loans to businesses made in low-income geographies is significantly lower than the portion of businesses that are within those geographies. The portion of small loans to businesses made in moderate-income geographies is near to the portion of businesses that are within those geographies. The market share for loans in low-income geographies is somewhat lower than the bank's overall market share for small loans to businesses. The market share for moderate-income loans exceeds the bank's overall market share for small loans to businesses in moderate-income geographies.

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

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

The number and amount of small loans to farms originated in the full-scope AA were not evaluated for analytical purposes. The bank originated only 24 small loans to farms in full-scope AA for this evaluation period.

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

Maps and reports detailing the bank's lending activity over the evaluation period for home mortgage loans, small loans to businesses and small loans to farms were reviewed to identify gaps in the geographic distribution of those loans. No unexplained conspicuous gaps were identified.

### ***Inside/Outside Ratio***

This analysis was performed at the bank level as opposed to the state level and is discussed in the state of Mississippi section of this report.

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

The overall distribution of loans by income level of the borrower in the AA receiving full-scope reviews was excellent. The distribution of home mortgage loans was good. The distribution of small loans to businesses by revenue size was excellent.

In evaluating the borrower distribution of home mortgage loans, we considered the number of families that live below the poverty level and the barriers that this may have on home ownership. According to 1990 Census data, fifty-nine percent of low-income families live below the poverty level as compared to 13% of all families in the AA. In the AA, low-income families comprise 23% of all families. This factor makes it very difficult for low- and moderate-income families to afford and maintain a home.

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

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.

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

Home purchase loan borrower distribution is good in the full-scope AA. The portion of home purchase loans made to low-income borrowers exceeds the portion of low-income families defined as such. The portion of home purchase loans made to moderate-income borrowers equals the portion of moderate-income families residing in the AA. The bank's home purchase loan market share to low-income borrowers exceeds its overall market share. The bank's market share to moderate-income borrowers was lower than its overall market share.

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

Home improvement loan borrower distribution is excellent in the full-scope AA. The portion of home improvement loans made to low-income borrowers exceeds the percent of low-income families defined as such. The portion of home improvement loans to moderate-income borrowers exceeds the portion of moderate-income families residing in the AA. The bank's home improvement loan market share to low-income borrowers exceeds its overall market share. The bank's market share to moderate-income borrowers is near to its overall market share.

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

The volume of NBC's home mortgage refinance loans originated in the full-scope AA was immaterial and not evaluated for analytical purposes. The bank originated 35 refinance loans in the full-scope AA for this evaluation period.

### ***Multifamily Loans***

The volume of NBC's multifamily loans originated in the full-scope AA was not evaluated for analytical purposes. The bank originated eleven multifamily loans in the full-scope AA for this evaluation period.

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

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 origination and purchase of small loans to businesses.

The borrower distribution of small loans to businesses is excellent in the full-scope AA. NBC's portion of small loans to businesses (businesses with annual revenues \$1 million dollars or less) is near to the portion of businesses in the AA. The portion of loans of \$100,000 or less in the AA exceeds the portion of businesses that are defined as small in the full-scope AA. In addition, the market share of small loans made to small businesses exceeds NBC's overall market share for small loans to all businesses.

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

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

The number and amount of small loans to farms originated in the full-scope AA were not evaluated for analytical purposes. The bank originated only 24 small loans to farms in the full-scope AA for this evaluation period.

### ***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 community development lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multi-family loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

NBC did not originate any qualified community development loans in the Tuscaloosa MSA during this evaluation period. This factor had a neutral impact on the performance evaluation of the lending test.

## **Product Innovation and Flexibility**

The bank participates in flexible lending programs in its AA on a comparable basis as those offered in the state of Mississippi. The bank's evaluation was based upon its overall performance at the bank level. Please refer to the Product Innovation and Flexibility comment in the state of Mississippi section of this report.

## **INVESTMENT TEST**

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

The bank's performance under the Investment Test in Alabama is rated "High Satisfactory". Based on full-scope reviews, the bank's performance in the Tuscaloosa MSA is 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.

Overall, the bank's investments reflect a good responsiveness to the needs of its AA. Given the limited community development investment opportunities in the AA, NBC made qualified investments that benefited a broader statewide or regional area that included the bank's AA. In the full-scope AA, NBC made investments totaling \$251 thousand. While on a broader statewide or regional area, NBC made investments totaling \$3.3 million. The volume of investments is high, given the limited opportunities in the AA. In addition, the impact of the investments on the communities is high. All of the investments addressed the identified need of affordable housing for low- and moderate-income individuals.

Refer to the Scope of the Evaluation section for additional information on the available CD opportunities in the AA.

## **SERVICE TEST**

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

The bank's performance under the Service Test in Alabama is rated "High Satisfactory". Based on full-scope reviews, the bank's performance in the Tuscaloosa MSA is good.

Service delivery systems are accessible to geographies and individuals of different income levels throughout the full-scope assessment area. The opening and closing of branches has not adversely affected the accessibility of NBC's delivery systems. The bank's performance in providing CD services is good.

## **Retail Banking Services**

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

NBC's service delivery systems are accessible to geographies and individuals of different income levels throughout the full-scope assessment area. NBC operates 5 branches and 7 ATMs throughout the AA. The bank does not have any branches in the low-income geographies. However, the bank has branches that are reasonably assessable to the two low-income geographies in the full-scope AA. In low-income geographies, only six percent of the population resides in this geography.

Twenty percent of the bank's branches are located in moderate-income geographies. The bank's percentage of branches equals the percentage of the population located in moderate-income geographies.

The bank did not open or close any branches during this evaluation period.

NBC's office hours and services in the full-scope AA are comparable among locations regardless of the income level of the geography. Branch hours do not differ significantly and do not affect low- and moderate-income geographies and low- and moderate-income individuals adversely.

## **Community Development Services**

Based on the type of services provided and number of participating employees, NBC provides a relatively high level of community development services based on the number of employees participating and the number of organizations benefiting. The types of services provided are not innovative in nature, but are responsive to the needs of the community.

The following is a list of the type of organizations that bank officers were involved in during the evaluation period:

- Bank officers serve on the board of a not-for-profit organization that provides for temporary housing, food, medicine and clothing to LMI persons.
- Bank officers serve on the board of a not-for-profit organization that provides technical assistance, credit counseling and homebuyer's education seminars.

## Appendix A: Scope of Examination

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

<b>Time Period Reviewed</b>	Lending Test (excludes CD loans): (1/01/98 to 12/31/2001) Investment and Service Tests and CD Loans: (1/01/98 to 2/25/02)	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
National Bank of Commerce Starkville, MS	Home Mortgage Loans Small Loans to Businesses Small Loans to Farms Community Development Loans	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
NBC Capital Corporation GCM Insurance NBC Insurance Service of AL, Inc.	Holding Company Insurance Company Insurance Company	None None None
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
State of Mississippi MS non-MSA	Full-Scope	Counties of Choctaw, Clay, Lowndes, Monroe, Neshoba, Noxubee, Oktibbeha, and Webster.
State of Alabama Tuscaloosa MSA #8600	Full-Scope	County of Tuscaloosa

## Appendix B: Summary of State Ratings

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RATINGS		BANK NAME		
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State/Multistate Rating
National Bank of Commerce	Outstanding	Low Satisfactory	High Satisfactory	Satisfactory
State:				
State of Mississippi	Outstanding	Low Satisfactory	High Satisfactory	Satisfactory
State of Alabama	Outstanding	High Satisfactory	High Satisfactory	Outstanding

(\*) 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

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### Market Profiles for Areas Receiving Full-Scope Reviews

<i>State of Mississippi</i> .....	C-2
<i>State of Alabama</i> .....	C-5

State of Mississippi

**MS non-MSA Assessment Area**

Demographic Information for Full-Scope Area: MS non-MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	44	0%	18%	57%	25%	0%
Population by Geography	201,906	0%	17%	49%	34%	0%
Owner-Occupied Housing by Geography	50,054	0%	14%	49%	37%	0%
Businesses by Geography	7,584	0%	15%	50%	35%	0%
Farms by Geography	508	0%	14%	56%	30%	0%
Family Distribution by Income Level	52,456	22%	14%	17%	47%	0%
Distribution of Low- and Moderate-Income Families throughout AA Geographies	18,837	0%	23%	51%	26%	0%
Median Family Income HUD Adjusted Median Family Income for 2001 Households Below the Poverty Level	= \$21,994 = \$35,900 = 26.09%	Median Housing Value Unemployment Rate			\$43,687 3.52%	

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 1990 U.S. Census, and 2001 HUD updated MFI.

The full-scope AA comprises the whole counties of Lowndes, Monroe, Noxubee, Oktibbeha, Neshoba and Clay with partial counties of Choctaw and Webster. None of these counties are in a Metropolitan Statistical Area (MSA). The bank's assessment area complies with the Community Reinvestment Act and does not arbitrarily exclude low- and moderate-income (LMI) geographies. Approximately 73% of the population within the bank's AA reside in Lowndes, Oktibehha and Monroe counties.

Census data for 1990 shows an assessment area population of 201,906 with 71,236 households. The full-scope AA consists of 44 census tracts of which eight are moderate-income, twelve-five middle-income, and eleven are upper-income. There are no low-income census tracts in the AA. The updated median family income for the full-scope AA is \$35,900.

Manufacturing, retail and service are the primary industries in the AA. Other areas of major employment are public education, military, and health care. Some of the primary employers in the AA are Sanderson Plumbing Products, Inc., United Technologies Automotive Systems, Weyerhaeuser Company, Baptist Memorial Hospital, Mississippi State University, Columbus Municipal and Lowndes County School Districts, and Columbus Air Force Base.

This AA is well served by eight other commercial banks (including four regional banks), several savings and loans, and credit unions.



State of Alabama

**Tuscaloosa MSA**

Demographic Information for Full-Scope Area: Tuscaloosa MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	30	7%	23%	40%	25%	3%
Population by Geography	150,522	6%	20%	50%	23%	1%
Owner-Occupied Housing by Geography	34,023	1%	15%	56%	28%	0%
Businesses by Geography	5,909	4%	19%	48%	29%	0%
Farms by Geography	219	0%	9%	62%	29%	0%
Family Distribution by Income Level	37,716	23%	16%	20%	41%	0%
Distribution of Low- and Moderate-Income Families throughout AA Geographies	14,742	5%	25%	55%	15%	0%
Median Family Income HUD Adjusted Median Family Income for 2001 Households Below the Poverty Level	= \$30,135 = \$47,400 = 21.38%	Median Housing Value Unemployment Rate			\$61,921 2.81%	

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 1990 U.S. Census, and 2001 HUD updated MFI.

The full-scope AA consists entirely of Tuscaloosa County, Alabama. The bank's assessment area complies with the Community Reinvestment Act and does not arbitrarily exclude low- and moderate-income (LMI) geographies. The metropolitan cities of Tuscaloosa and Northport represent approximately 63 percent of the county's population. Census data for 1990 shows an assessment area population of 150,522 with 55,045 households. The full-scope AA consists of 30 census tracts of which two tracts are considered low-income, seven moderate-income, twelve middle-income, eight upper-income, and one unclassified tract. The updated median family income for the Tuscaloosa MSA is \$47,400.

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

The full-scope AA is well served by seven other commercial banks (including four regional banks), two savings and loans, and eleven credit unions.

Appendix D: Tables of Performance Data

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**CONTENT OF STANDARDIZED TABLES..... D-7**

**TABLES OF PERFORMANCE DATA ..... D-10**

State of Mississippi.....**D-ERROR! BOOKMARK NOT DEFINED.**

**State of Alabama**.....**D-ERROR! BOOKMARK NOT DEFINED.**

## Content of Standardized Tables

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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: 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. Deposit data are compiled by the FDIC and are available as of June 30<sup>th</sup> of each year. Tables without data are not included in this PE.

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

- Table 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.
- 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.

- 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.
- 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. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The

table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system.

**Table 14. 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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Table 1. Lending Volume

LENDING VOLUME		Geography: STATE OF MS						Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001				
MA/Assessment Area (2001):	% 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%	2,737	109,697	5,830	215,476	1,680	52,025	15	8,061	10,262	385,259	100%

\* Loan Data as of December 31, 2001. Rated area refers to either the state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is From January 01, 1998 to February 25, 2002.

\*\*\* Deposit Data as of December 31, 2001. 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 2001			Geography: STATE OF MS						Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31,						
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overa ll	Low	Mod	Mid	Upp
<b>Full Review:</b>															
MS Non-MSA	936	100%	0%	0%	14%	12%	49%	49%	37%	39%	11%	0%	14%	12%	11%

\* Based on 2000 Peer Mortgage Data: Southeast Region 1.

\*\* 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 housing units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 Census information.

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT 31, 2001		Geography: STATE OF MS								Evaluation Period: JANUARY 1, 1998 TO DECEMBER					
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total*	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
<b>MS Non-MSA</b>	1,330	100%	0%	0%	14%	12%	49%	54%	37%	34%	53%	0%	56%	56%	48%

\* Based on 2000 Peer Mortgage Data: Southeast Region 1.

\*\* 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 housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE DECEMBER 31, 2001			Geography: STATE OF MS								Evaluation Period: JANUARY 1, 1998 TO				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
<b>MS Non-MSA</b>	460	100%	0%	0%	14%	9%	49%	49%	37%	42%	5%	0%	2%	5%	5%

\* Based on 2000 Peer Mortgage Data: Southeast Region 1.

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY 2001			Geography: STATE OF MS				Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31,					Market Share (%) by Geography*				
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies							
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
<b>MS Non-MSA</b>	11	100%	0%	0%	16%	55%	55%	27%	29%	18%	21%	0%	33%	22%	11%	

\* Based on 2000 Peer Mortgage Data: Southeast Region 1.

\*\* Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

\*\*\* Percentage of multifamily units is the number of multifamily housing units in a particular geography divided by number of multifamily housing units in the area based on 1990 Census information.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES DECEMBER 31, 2001			Geography: STATE OF MS								Evaluation Period: JANUARY 1, 1998 TO				
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
<b>MS Non-MSA</b>	5,830	100%	0%	0%	15%	13%	50%	48%	35%	39%	21%	0%	31%	18%	26%

\* Based on 2000 Peer Small Business Data: US&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 (2001).

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS 31, 2001			Geography: STATE OF MS						Evaluation Period: JANUARY 1, 1998 TO DECEMBER						
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	Overa ll	Low	Mod	Mid	Upp
<b>Full Review:</b>															
<b>MS Non-MSA</b>	1,680	100%	0%	0%	14%	22%	56%	53%	30%	25%	40%	0%	68%	34%	49%

\* Based on 2000 Peer Small Business Data: US&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 (2001).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE 2001		Geography: STATE OF MS								Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31,					
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total*	% Families**	% BANK Loans****	% Families**	% BANK Loans****	% Families**	% BANK Loans****	% Families**	% BANK Loans****	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
<b>MS Non-MSA</b>	936	100%	22%	8%	14%	16%	17%	22%	47%	54%	13%	7%	8%	13%	16%

\* Based on 2000 Peer Mortgage Data: Southeast Region 1.

\*\* As a percentage of loans with borrower income information available. No information was available for 0.64% of loans originated and purchased by National Bank of Commerce.

\*\*\* Percentage of Families is based on the 1990 Census information.

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

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT 31, 2001			Geography: STATE OF MS						Evaluation Period: JANUARY 1, 1998 TO DECEMBER						
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total**	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
<b>MS Non-MSA</b>	1,330	100%	22%	14%	14%	18%	17%	25%	47%	43%	55%	54%	57%	57%	53%

\* Based on 2000 Peer Mortgage Data: Southeast Region 1.

\*\* As a percentage of loans with borrower income information available. No information was available for 1.73% of loans originated and purchased by National Bank of Commerce.

\*\*\* Percentage of Families is based on the 1990 Census information.

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

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE DECEMBER 31, 2001			Geography: STATE OF MS								Evaluation Period: JANUARY 1, 1998 TO				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total**	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
<b>MS Non-MSA</b>	460	100%	22%	7%	14%	21%	17%	12%	47%	60%	5%	4%	3%	3%	7%

\* Based on 2000 Peer Mortgage Data: Southeast Region 1.

\*\* As a percentage of loans with borrower income information available. No information was available for 3.20% of loans originated and purchased by National Bank of Commerce.

\*\*\* Percentage of Families is based on the 1990 Census information.

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

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES DECEMBER 31, 2001				Geography: STATE OF MS			Evaluation Period: JANUARY 1, 1998 TO		
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
<b>MS Non-MSA</b>	5,830	100%	88%	90%	92%	5%	3%	21%	27%

\* Based on 2000 Peer Small Business Data: US&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 - 2001).

\*\*\*\* 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 0.10% of small loans to businesses originated and purchased by the bank.

Table12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS 31, 2001				Geography: STATE OF MS			Evaluation Period: JANUARY 1, 1998 TO DECEMBER		
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
<b>MS Non-MSA</b>	1,680	100%	96%	97%	93%	6%	1%	40%	41%

\* Based on 2000 Peer Small Business Data: US&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 - 2001).

\*\*\*\* 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 13. Qualified Investments

QUALIFIED INVESTMENTS		Geography: STATE OF MS				Evaluation Period: JANUARY 1, 1998 TO FEBRUARY 25, 2002			
MA/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>									
<b>MS Non-MSA</b>	0	0	22	32	22	32	100	0	0

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

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

Table 14. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS										Geography: STATE OF MS				Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001			
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings				Population					
	% of Rated Area Deposits in AA	# of BANK Branches	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>																	
<b>MS Non-MSA</b>	100%	27	100%	0%	22%	45%	33%	1	1	0	0	- 1	1	0%	17%	49%	34%

Table 1. Lending Volume

LENDING VOLUME		Geography: STATE OF AL						Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001				
MA/Assessment Area (2001):	% 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>												
Tuscaloosa MSA	100%	236	9,877	910	45,463	24	1,219	0	0	1,170	56,559	100%

\* Loan Data as of December 31, 2001. Rated area refers to either the state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is From January 01, 1998 to February 25, 2002.

\*\*\* Deposit Data as of December 31, 2001. 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 2001		Geography: STATE OF AL						Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31,							
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overa ll	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Tuscaloosa MSA	83	100%	1%	0%	15%	15%	56%	54%	28%	31%	0.5%	0%	1%	0.4 %	0.7 %

\* Based on 2000 Peer Mortgage Data: Southeast Region 1.

\*\* 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 housing units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 Census information.

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT 31, 2001		Geography: STATE OF AL								Evaluation Period: JANUARY 1, 1998 TO DECEMBER					
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total*	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Tuscaloosa MSA	115	100%	1%	4%	15%	20%	56%	50%	28%	26%	17%	57%	24%	14%	14%

\* Based on 2000 Peer Mortgage Data: Southeast Region 1.

\*\* 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 housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE DECEMBER 31, 2001			Geography: STATE OF AL						Evaluation Period: JANUARY 1, 1998 TO						
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Tuscaloosa MSA	35	100%	2%	0%	15%	14%	56%	54%	28%	31%	0.5%	0%	0.5%	0.3%	0.9%

\* Based on 2000 Peer Mortgage Data: Southeast Region 1.

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY 2001		Geography: STATE OF AL						Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31,							
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Tuscaloosa MSA	3	100%	3%	0%	38%	0%	40%	100%	19%	0%	8%	0%	0%	17%	0%

\* Based on 2000 Peer Mortgage Data: Southeast Region 1.

\*\* Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

\*\*\* Percentage of multifamily units is the number of multifamily housing units in a particular geography divided by number of multifamily housing units in the area based on 1990 Census information.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES DECEMBER 31, 2001			Geography: STATE OF AL								Evaluation Period: JANUARY 1, 1998 TO				
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Tuscaloosa MSA	910	100%	4%	1%	19%	18%	48%	45%	29%	36%	6%	1%	7%	7%	6%

\* Based on 2000 Peer Small Business Data: US&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 (2001).

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS 31, 2001			Geography: STATE OF AL						Evaluation Period: JANUARY 1, 1998 TO DECEMBER						
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	Overa ll	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Tuscaloosa MSA	24	100%	0%	0%	9%	0%	62%	75%	29%	25%	17%	0%	0%	20%	14%

\* Based on 2000 Peer Small Business Data: US&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 (2001).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE 2001		Geography: STATE OF AL						Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31,							
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total*	% Families**	% BANK Loans****	% Families**	% BANK Loans****	% Families**	% BANK Loans****	% Families**	% BANK Loans****	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Tuscaloosa MSA	83	100%	23%	29%	16%	16%	20%	22%	41%	33%	0.6%	1%	0.3%	0.7%	0.5%

\* Based on 2000 Peer Mortgage Data: Southeast Region 1.

\*\* As a percentage of loans with borrower income information available. No information was available for 1.20% of loans originated and purchased by National Bank of Commerce.

\*\*\* Percentage of Families is based on the 1990 Census information.

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

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT 31, 2001		Geography: STATE OF AL						Evaluation Period: JANUARY 1, 1998 TO DECEMBER							
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total**	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Tuscaloosa MSA	115	100%	23%	25%	16%	21%	20%	20%	41%	34%	17%	26%	15%	16%	15%

\* Based on 2000 Peer Mortgage Data: Southeast Region 1.

\*\* As a percentage of loans with borrower income information available. No information was available for 0.87% of loans originated and purchased by National Bank of Commerce.

\*\*\* Percentage of Families is based on the 1990 Census information.

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

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE DECEMBER 31, 2001			Geography: STATE OF AL								Evaluation Period: JANUARY 1, 1998 TO				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total**	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Tuscaloosa MSA	35	100%	23%	3%	16%	12%	20%	20%	41%	65%	0.6%	0%	0%	0.6%	1%

\* Based on 2000 Peer Mortgage Data: Southeast Region 1.

\*\* As a percentage of loans with borrower income information available. No information was available for 2.86% of loans originated and purchased by National Bank of Commerce.

\*\*\* Percentage of Families is based on the 1990 Census information.

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

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES DECEMBER 31, 2001				Geography: STATE OF AL			Evaluation Period: JANUARY 1, 1998 TO		
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Tuscaloosa MSA	910	100%	87%	85%	88%	9%	3%	6%	10%

\* Based on 2000 Peer Small Business Data: US&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 - 2001).

\*\*\*\* 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 0.11% 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 31, 2001		Geography: STATE OF AL				Evaluation Period: JANUARY 1, 1998 TO DECEMBER			
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Tuscaloosa MSA	24	100%	93%	92%	88%	8%	4%	17%	17%

\* Based on 2000 Peer Small Business Data: US&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 - 2001).

\*\*\*\* 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 13. Qualified Investments

QUALIFIED INVESTMENTS		Geography: STATE OF AL				Evaluation Period: JANUARY 1, 1998 TO FEBRUARY 25, 2002			
MA/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>									
Tuscaloosa MSA	0	0	0	251	0	251	7%	0	0
Statewide/Regional	0	0	2	3,318	2	3,318	93%	0	0

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

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

Table 14. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS								Geography: STATE OF AL				Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001					
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>																	
Tuscaloosa MSA	100%	5	100%	0%	20%	40%	40%	0	0	0	0	0	0	6%	20%	50%	23%