



PUBLIC DISCLOSURE

July 24, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Commonwealth National Bank
Charter Number: 16553

2214 St. Stephens Road
Mobile, AL 36617

Office of the Comptroller of the Currency

3850 N. Causeway Boulevard
Suite 1330
Metairie, LA 70002

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 bank is rated **Satisfactory**.

The Lending Test is rated: Satisfactory.

The major factors that support this rating include:

- Commonwealth National Bank's (CNB) average loan-to-deposit (LTD) ratio is considered reasonable.
- A substantial majority of CNB's loans were made within its assessment area (AA).
- The geographic distribution of consumer purpose, commercial, and residential real estate loan products originated by CNB during the period of review is reasonable.
- CNB exhibits an excellent distribution of loans to individuals of different income levels and businesses of different sizes, given the product lines offered by the bank.
- CNB did not receive any CRA-related complaints over the evaluation period.

Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AA, the bank's LTD ratio is reasonable.

CNB's quarterly average LTD ratio since the end of the last performance evaluation period, March 31, 2019 to December 31, 2021, was 38.6 percent. During this period the LTD ratio reached a low of 33.3 percent and a high of 47.9 percent. CNB is by far the smallest bank in its AA. There are only three banks operating within CNB's AA with assets \$500 million or less. These banks had quarterly average LTD ratios ranging from a low of 64.3 to the highest at 84.1 percent, during the same time frame. While CNB's LTD ratio is being compared to the group below, its comparison is not totally equitable as the listed banks are all significantly larger than CNB and have a larger branch network. CNB's LTD comparison to other banks in the AA with assets of less than \$500 million is as follows:

Loan-to-Deposit Ratios of Select Competitors Operating in AA		
Institution	Assets (000s) as of December 31, 2021	Average LTD Ratio (%)
22 nd State Bank	\$201,632	82.72
Century Bank	\$454,471	73.52
First National Bank and Trust	\$218,191	65.99
Commonwealth National Bank	\$56,890	38.61

CNB experienced a decline in its LTD ratios over 2020, as did many banks in the United States. Nationwide, banks were flush with cash from federal government relief programs related to the COVID-19 pandemic, coupled with lower loan demand influenced by the lack of consumer confidence in the economy. CNB experienced loan growth over the period of review, but its LTD ratio was negatively affected from an influx of deposits not only from stimulus payments and other sources, but primarily because of the 2020 George Floyd murder and social activism causes that desired to support African American institutions.

Lending in Assessment Area

A substantial majority of the bank's loans are inside its AA. CNB originated and purchased 84.1 percent of its total number of loans, and 71.4 percent of loan dollars inside its AA during the evaluation period. These percentages are based on a random sample of 60 of CNB's major loan categories (commercial and consumer purpose loans) originated between January 1, 2019 and December 31, 2021. The percentages also includes 9 home mortgages originated during this period. Although home mortgages constitute a major product offering of CNB as measured by its percentage composition of the bank's loan portfolio, this product was not a major source of loan volume over the evaluation period. The OCC performed this analysis at the bank level, rather than the AA level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria.

The table below illustrates CNB's distribution of loans and proceeds within and outside its AA over the current assessment period:

Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	9	100.0	0	0.0	9	398	100.0	0	0.0	398
Small Business	22	73.3	8	26.7	30	2,411	60.7	1,560	39.3	3,971
Consumer Purpose	27	90.0	3	10.0	30	1,625	88.3	215	11.7	1,839
Total	58	84.1	11	15.9	69	4,434	71.4	1,775	28.6	6,208

Description of Institution

Commonwealth National Bank is a nationally chartered, single state commercial bank headquartered in Mobile, AL, the county seat and principal city of Mobile County and the Mobile, AL Metropolitan Statistical Area (MSA). Following a vote to annex certain areas west of the city in July 2023, Mobile is the second largest city in the state of Alabama. CNB, established in 1976, is the only locally owned bank in Mobile County, and one of two African American owned banks in Alabama. CNB is 100 percent owned by CNB Bancorp., Inc., a one-bank holding company. Ownership of the holding company is concentrated as the Cooper family owns or controls 78.3 percent of the company's stock either through individual ownership or control of related entities. In addition, three national or regional banks (Bank of America, Wells Fargo, and Regions Bank) collectively own 9.4 percent of the holding company.

CNB has delineated Mobile County, AL as its sole AA. This AA includes the city of Mobile, AL, which is the principal city of the Mobile, AL MSA. The AA consists of 115 census tracts, of which 19 or 16.5 percent are designated as low-income tracts and 27 or 23.4 percent are designated as moderate-income tracts. Two tracts comprising 1.7 percent of all census tracts of the AA were not designated by income. Most of the tracts in the AA are designated as either middle-income (37 or 32.2 percent) or upper-income (30 or 26.1 percent). None of the AA's census tracts have been designated by the FFIEC as being distressed or underserved.

Due to the bank's size, limited branch network, level of competition, and the geographical size of the area, management concluded that CNB could not reasonably serve the entire MSA. Mobile County, AL was designated as the bank's AA as it was considered small enough to be adequately served by its existing branch network (all contained within the county). The designated AA meets regulatory requirements and does not arbitrarily exclude any low- or moderate-income areas.

CNB's primary business focus is on the origination of residential real estate mortgage products and commercial loans within its AA. CNB has not changed its overall business focus since the previous CRA examination. However, CNB has had to rely heavily on out-of-area loan participations purchased from larger banks to provide interest income needed improve the bank's financial condition. While not reflective of a permanent change in business focus, loan production under the administration in place earlier in the CRA evaluation period was poor. CNB had no dedicated lender during much of the evaluation period, and staffing had declined to an all-time low of 13 people. As of December 31, 2021, CNB reported total assets of \$56.9 million, total deposits \$50.2 million, and net loans and leases of \$22.6 million. Total loans represented 40.8 percent of total assets. The bank's loan portfolio mix was comprised of 67.3 percent in commercial real estate loans, 12.2 percent in commercial and industrial loans, 19 percent in residential real estate loans, and 1.4 percent in consumer loans.

CNB offers a variety of consumer, residential real estate, and commercial loan products including purchase money and mortgage refinances, construction loans, and personal loans, among others. Residential real estate mortgages are originated for the bank's portfolio. CNB does not originate residential real estate mortgages for periods over 15 years. The bank refers customers desiring longer term, fixed rate mortgages to either Trustmark National Bank (Jackson, MS) or Liberty Bank and Trust (New Orleans, LA). Commercial product offerings include commercial real estate (CRE) acquisition and refinancing, working capital loans, equipment purchase financing, and other types of associated lending.

In response to the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) of 2020, CNB participated in the U.S. Small Business Administration's Paycheck Protection Program (PPP). These loans were designed to provide a direct incentive for small businesses to keep their workers on payroll during the COVID-19 pandemic. While CNB was not considered a major distributor of these loans in its AA, their offering was influenced by customers who complained that other AA banks would not consider their applications or were slow in their processing. CNB originated 14 PPP loans in 2020 totaling \$434,699. These loans comprised 19.7 percent of the number of loans and 4.6 percent of loan dollars originated in 2020. Although CNB's participation in this program was significant to its number of overall loan originations over the evaluation period, weight for the bank's ultimate CRA rating was placed on its traditional lending products.

CNB has been designated as a Community Development Financial Institution (CDFI) by the U.S. Treasury Department. This designation allows banks to apply for grants and create programs specifically to aid in economic and community development in low-income and distressed geographies. Since 2019,

CNB has received a \$142,000 Bank Enterprise Award grant, whose proceeds have been used to support lending activities among low-to-moderate income (LMI) residents and high poverty areas of its AA. This award marked the first time that CNB met the qualifications for consideration since 2012. The bank's CDFI designation has allowed it to participate in other programs such as the U.S. Treasury's CDFI Equitable Recovery Programs.

CNB received a "Satisfactory" rating at its most recent CRA examination, which was documented in a CRA Performance Evaluation dated April 8, 2019.

CNB has been operating under a formal enforcement action due to the financial condition of the bank. Capital constraints resulting from this action have impeded the bank's lending capacity. CNB's ability to lend has also been adversely affected by its lack of positive financial performance. CNB has not posted net income or reflected profitability from operations since 2016. The lack of profitability negatively impacts the bank's ability to lend as earnings are necessary to maintain adequate capital levels.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The assessment of CNB's CRA performance was conducted using the Interagency Small Bank CRA Procedures, dated July 2007. The evaluation period for the Lending Test was January 1, 2019 through December 31, 2021. The OCC analysis of the bank's CRA performance is based primarily on the distribution by income and geography of a random sample of 60 of CNB's primary loan products originated over the evaluation period. These products consisted of commercial loans and consumer purpose loans originated in its Mobile, AL AA. The OCC included the bank's nine originated one-to-four family residential real estate mortgages (i.e., home mortgage loans) within its AA to determine their distribution by geography and income. Because of their low volume, these loans are only used for calculation of the In/Out ratio and possible additional support for the Lending Tests whose ratings are concluded from the review of the previously listed products.

For analysis purposes, the OCC compared the bank's lending performance with demographic data from the 2015 American Community Survey (ACS) U.S. Census data. Please refer to the table in Appendix A for more information on the scope of the review.

Two community leaders in the bank's AA were consulted to obtain feedback on the area's demographics, perceived credit needs, and financial institution responsiveness to identified needs.

Selection of Areas for Full-Scope Review

In each state where the bank has an office, one or more of AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated assessment areas located within the same MSA are combined and evaluated as a single AA.

Ratings

CNB's overall rating is based solely on its performance in the state of Alabama. In turn, the State rating is based on the rating for the single AA in which the bank's lending activities are concentrated. Refer to the "Scope" section under each State Rating for details regarding how full-scope AAs were selected. Refer to Appendix A, Scope of Examination.

Under interagency small bank CRA procedures, a small bank's rating is determined through a blend of analyses. At the institution level, examiners assess the reasonableness of the bank's LTD ratio and the bank's record of lending within its AA compared to lending outside of its AA. Within each rating area, examiners assess the distribution of lending to geographies and to borrowers of different income levels.

Discriminatory or Other Illegal Credit Practices Review

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

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

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

State Rating

State of Alabama

CRA rating for the State of Alabama: Satisfactory.

The Lending Test is rated: Satisfactory.

The major factors that support this rating include:

- The geographic distribution of the bank's loans within low- and moderate-income census tracts of its AA exhibit reasonable dispersion.
- The distribution of the bank's loans to borrowers of different income categories, including those considered low- and moderate-income, as well as to businesses with gross incomes of less than \$1 million, reflects excellent dispersion.
- CNB did not receive any CRA-related complaints over the evaluation period.

Description of Institution's Operations in Alabama

CNB operates two locations in the state of Alabama, its main office and a branch. Both locations are in low-income census tracts of Mobile, AL. Both locations offer full banking services, including drive-up facilities and proprietary automated teller machines (ATMs). CNB has an agreement with PNC Bank, Wells Fargo Bank, N.A., Bank of America, N.A., and The First Bank to allow its customers to use their ATMs free of charge. As a result, CNB's customers have free access to over 50,000 ATMs nationwide. CNB's business hours are like those of most banks in the AA. However, CNB offers competitive advantages in that it is one of three banks in the AA with operating hours extending beyond 5:00 PM on Fridays (6:00 PM) and is one of four banks in the AA with Saturday hours (main office only).

In addition to the drive-up facilities and ATMs, CNB offers telephone, Internet, and mobile banking platforms as alternative delivery channels. CNB has neither opened nor closed a branch since its previous CRA examination. Deposit product offerings are traditional in nature including savings, checking, certificates of deposit, and individual retirement accounts, among others.

Competition among financial institutions in CNB's AA is strong. CNB competes with several large, regional, and community banks that are well established. According to the FDIC June 30, 2021, Deposit Market Share Report, CNB has a deposit market share of 0.5 percent and ranks 15th out of 25 financial institutions within Mobile County. The top four banks by deposit share within the AA include Regions Bank, Hancock Whitney Bank, BBVA USA, and PNC Bank with a combined deposit market share of 64.4 percent.

CNB is the only financial institution headquartered in the AA, and by far the smallest bank operating in the AA. Nevertheless, CNB has more market share than 10 other competitors, two of which operate a greater or equal number of banking facilities. The vast majority of CNB's competitors are over \$1 billion in asset size and have either national, regional, or statewide operations. Although management

considers Regions Bank as its primary competitor due to a focus on serving the same customer base, CNB has no similarly situated competitor in its AA. Other competitors exist in the AA as well for both deposits and loans, including multiple credit unions. Mortgage companies and other non-deposit taking entities provide additional competition for home mortgage, consumer purpose, and commercial loans.

The economy of Mobile County, AL is heavily weighted towards service industries, including government, education, and healthcare sectors. Manufacturing, aerospace, and maritime industries also provide significant employment opportunities. Major employers in the AA include the Mobile County Public School System, Infirmity Health Systems, University of South Alabama (USA) and USA Health Systems, Austal USA, and ST Mobile Aerospace Engineering. Unemployment in Mobile County is higher than the state unemployment rate, but lower than that of the U.S. for the same period. Data from the Alabama Department of Labor reflected that as of December 31, 2021, the unemployment rate for Mobile County was 3.1 percent compared with the state unemployment rate of 2.3 percent, while the national unemployment rate for the same period was 3.7 percent.

Examiners utilized a community contact from a representative of a local minority Chamber of Commerce and a community advocate. Feedback from the interviews reflected community and economic development assistance, affordable housing/home mortgage financing, small business lending, and financial literacy as primary community needs. The contacts stated that many banks in the AA provided these functions, with room for greater involvement existing among others. The contacts were neither complimentary nor critical of CNB’s involvement in the AA’s overall community development.

Table A illustrates select demographic data from CNB’s Mobile County, AL AA:

Table A – Demographic Information of the Assessment Area						
Assessment Area: Mobile County AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	115	16.5	23.5	32.2	26.1	1.7
Population by Geography	414,251	9.3	18.2	36.5	35.8	0.2
Housing Units by Geography	180,932	9.2	19.3	36.7	34.9	0.0
Owner-Occupied Units by Geography	102,608	5.7	15.0	38.5	40.9	0.0
Occupied Rental Units by Geography	51,580	13.1	24.8	33.4	28.7	0.0
Vacant Units by Geography	26,744	14.9	25.0	36.3	23.8	0.0
Businesses by Geography	29,268	7.1	20.3	31.2	41.2	0.2
Farms by Geography	597	4.0	9.9	42.2	43.9	0.0
Family Distribution by Income Level	103,554	24.0	15.6	19.0	41.4	0.0
Household Distribution by Income Level	154,188	26.5	15.0	15.9	42.5	0.0
Median Family Income MSA - 33660 Mobile, AL MSA		\$61,300	Median Housing Value			\$125,900
			Median Gross Rent			\$781
			Families Below Poverty Level			15.7%

*Source: 2015 ACS and 2021 D&B Data
Due to rounding, totals may not equal 100.0%
(* The NA category consists of geographies that have not been assigned an income classification.*

The U.S. Office of Housing and Urban Development (HUD) updates median family income for MSA and non-MSA families each year. In 2021, HUD's median MSA family income for the state of Alabama was \$61,300. Income classification categories are listed in Table B:

Table B – Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Mobile, AL MSA Median Family Income (33660)				
2021 (\$61,300)	<\$30,650	\$30,650 to <\$49,040	\$49,040 to <\$73,560	≥\$73,560
<i>Source: U.S. HUD</i>				

Scope of Evaluation in Alabama

The bank has only one AA, which was used for a full-scope review.

LENDING TEST

CNB's performance under the Lending Test in Alabama is rated Satisfactory. The bank's performance in its Mobile County, AL AA is good.

Distribution of Loans by Income Level of the Geography

CNB exhibits reasonable geographic distribution of loans in the state of Alabama.

Small Loans to Businesses

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

CNB's distribution of small business loans is excellent in low-income census tracts and reasonable in moderate-income census tracts. Similar to other lenders in the AA, CNB's degree of lending to businesses located in moderate-income census tracts is slightly lower than the percentage of small businesses located in these tracts.

Consumer Loans

Refer to Table U in the state of Alabama section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's consumer loan originations and purchases.

CNB's distribution of consumer purpose loans is excellent in both low- and moderate-income census tracts of its AA, with its lending exceeding the percentage of households living in these tracts.

Home Mortgage Loans

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

CNB's distribution of home mortgages is excellent in low-income census tracts and reasonable in moderate-income census tracts. CNB's lending in moderate-income census tracts was lower than the percentage of owner-occupied housing units located in these tracts, but it exceeded the aggregate average of its competitors in these tracts. CNB's geographical distribution of home mortgages is consistent with the results of its previous two CRA examinations.

Although residential real estate loans are a major component of CNB's loan portfolio, the low volume of originations over the review period is inadequate to provide a meaningful analysis. The distribution of these loans is included only to add support to conclusions drawn from the evaluation of the other loan products and to determine if current patterns deviate from historical results, which have been characterized as satisfactory. Refer to the *Description of Institution* section of this evaluation for discussion of factors contributing to the bank's low level of home mortgage originations over the evaluation period.

Distribution of Loans by Income Level of the Borrower

CNB exhibits an excellent distribution of loans to individuals of different income levels and businesses of different sizes, given the product lines offered by the bank.

Small Loans to Businesses

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

CNB's distribution of small business loans is excellent to businesses with gross sales less than \$1 million. CNB's lending to small businesses exceeded the composition of businesses within the AA and greatly exceeded the aggregate percentage made by other AA lenders to these businesses.

Consumer Loans

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

CNB's distribution of consumer purpose loans is excellent among moderate-income borrowers and reasonable among low-income borrowers. CNB's lending to low-income borrowers is slightly below the percentage of low-income households in the AA.

Home Mortgage Loans

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

CNB's distribution of home mortgages among low- and moderate-income borrowers is excellent. CNB's lending to these customers exceeded both the composition of the AA by income and that of other lenders in the AA for the same product. CNB's distribution of home mortgages by borrower income is consistent with the results of its previous two CRA examinations.

Again, as noted elsewhere in this document, CNB's performance with this product is only being used to add support to conclusions drawn from the evaluation of other loan products and to determine consistency with previous CRA examinations. The volume of CNB's origination of home mortgage loans over the evaluation period was inadequate to provide a meaningful analysis of its performance with this product. Refer to the *Description of Institution* section of this evaluation for discussion of factors contributing to the bank's low level of home mortgage originations over the evaluation period.

Lending Gap Analysis

There were no unexplained conspicuous lending gaps identified during the evaluation period.

Responses to Complaints

There were no CRA-related complaints received during the evaluation period.

Appendix A: Scope of Examination

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

Time Period Reviewed:	01/01/19 to 12/31/21	
Bank Products Reviewed:	Small business, consumer-purpose, and home mortgage loans	
Affiliate(s)	Affiliate Relationship	Products Reviewed
Not Applicable	Not Applicable	Not Applicable
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
Alabama		
Mobile County AA	Full-scope	AA is part of the Mobile, AL MSA which includes Mobile and Washington Counties, AL. However, the AA includes only Mobile County.

Appendix B: Summary of MMSA and State Ratings

RATINGS – Commonwealth National Bank	
Overall Bank:	Lending Test Rating
Commonwealth National Bank	Satisfactory
State:	
Alabama	Satisfactory

Appendix C: Definitions and Common Abbreviations

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

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

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

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

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

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

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

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

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that conduct business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, the disposition of the application (e.g., approved,

denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

Home Mortgage Loans: A closed-end mortgage loan or an open-end line of credit as these terms are defined under 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

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

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

Low-Income Individual: Individual income that is less than 50 percent of the area median income.

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

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

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

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

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

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

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

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

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.

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

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

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

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

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

Appendix D: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate MSAs, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to Appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/AA. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE.

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

- Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.
- Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/AA. The table also presents aggregate peer data for the years the data is available.
- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s AA.
- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.

Table U. Assessment Area Distribution of Consumer Loans by Income Category of the Geography - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households in those geographies.

Table V. Assessment Area Distribution of Consumer Loans by Income Category of the Borrower - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of households by income level in each MMSA/AA.

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																				2019-21
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	
Mobile County	9	398,088	100.0	16,149	5.7	44.0	1.1	15.0	11.1	7.4	38.5	47.9	35.0	40.9	0.0	56.5	0.0	0.0	0.0	
Total	9	398,088	100.0	16,149	5.7	44.0	1.1	15.0	11.1	7.4	38.5	47.9	35.0	40.9	0.0	56.5	0.0	0.0	0.0	

*Source: 2015 ACS; 01/01/2019 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%*

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																				2019-21
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers			
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	
Mobile County	9	398,088	100.0	16,149	24.0	33.3	4.6	15.6	22.2	15.8	19.0	22.2	20.8	41.4	22.2	38.6	0.0	0.0	20.2	
Total	9	398,088	100.0	16,149	24.0	33.3	4.6	15.6	22.2	15.8	19.0	22.2	20.8	41.4	22.2	38.6	0.0	0.0	20.2	

*Source: 2015 ACS ; 01/01/2019 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%*

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																				2019-21
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	
Mobile County	22	2,410,728	100.0	11,529	7.1	22.7	6.7	20.3	18.2	18.3	31.2	27.3	31.2	41.2	31.8	43.8	0.2	0.0	0.0	
Total	22	2,410,728	100.0	11,529	7.1	22.7	6.7	20.3	18.2	18.3	31.2	27.3	31.2	41.2	31.8	43.8	0.2	0.0	0.0	

*Source: 2021 D&B Data; 01/01/2021 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%*

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues												2019-21
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
Mobile County	22	2,410,728	100.0	11,529	82.7	90.9	38.4	5.2	9.1	12.1	0.0	
Total	22	2,410,728	100.0	11,529	82.7	90.9	38.4	5.2	9.1	12.1	0.0	

*Source: 2021 D&B Data; 01/01/2019 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%*

Table U: Assessment Area Distribution of Consumer Loans by Income Category of the Geography													2019-21	
Assessment Area:	Total Consumer Loans			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts		
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	
Mobile County	27	248,804	100.0	8.2	14.8	18.3	25.9	36.8	29.6	36.8	29.6	0.0	0.0	
<i>Source: 2015 ACS; 01/01/2019 - 12/31/2021 Bank Data. Due to rounding, totals may not equal 100.0%</i>														

Table V - Assessment Area Distribution of Consumer Loans by Income Category of the Borrower													2019-21	
Assessment Area:	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income Borrowers		
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	
Mobile County	27	248,804	100.0	26.5	22.2	15.0	25.9	15.9	18.5	42.5	33.3	0.0	0.0	
Total	27	248,804	100.0	26.5	22.2	15.0	25.9	15.9	18.5	42.5	33.3	0.0	0.0	
<i>Source: 2015 ACS; 01/01/2019 - 12/31/2021 Bank Data. Due to rounding, totals may not equal 100.0%</i>														