

PUBLIC DISCLOSURE

July 24, 1997

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Copiah Bank, National Association
Charter Number 18178**

**P.O. Box 31
101 Caldwell Drive
Hazlehurst, MS 39083**

Comptroller of the Currency

**800 Woodlands Parkway, Suite 111
Ridgeland, MS 39157**

NOTE: This evaluation is not, nor should it 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.

GENERAL INFORMATION

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

This document is an evaluation of the Community Reinvestment Act (CRA) performance of Copiah Bank, National Association prepared by the Office of the Comptroller of the Currency, the institution's supervisory agency, as of July 24, 1997. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.

INSTITUTION'S CRA RATING: This institution is rated **SATISFACTORY**.

Copiah Bank, National Association adequately meets the spirit and intent of the Community Reinvestment Act.

- The bank maintains a good loan to deposit ratio which compares favorably to state competitors of similar size.
- A substantial majority of its loans are within the assessment area.
- The loans are reasonably distributed between different geographies and borrowers of different income levels.
- Small business loans represent a substantial portion of the loan portfolio.

The following table indicates the performance level of Copiah Bank, National Association with respect to each of the five performance criteria.

SMALL INSTITUTION ASSESSMENT CRITERIA	Copiah Bank, National Association PERFORMANCE LEVELS		
	Exceeds Standards for Satisfactory Performance	Meets Standards for Satisfactory Performance	Does not meet Standards for Satisfactory Performance
Loan to Deposit Ratio		X	
Lending in Assessment Area		X	
Lending to Borrowers of Different Incomes and to businesses of Different sizes	X		
Geographic Distribution of Loans		X	
Response to Complaints	No complaints were received since the prior examination.		

DESCRIPTION OF INSTITUTION

Copiah Bank, National Association is a community bank located in Hazlehurst, Mississippi. The bank is independently owned and operates a main office (Hazlehurst) and branch offices in Crystal Springs, Wesson, and Hazlehurst. The bank also provides a cash-dispensing machine at a truck stop in Wesson near Interstate Highway 55. The bank's loan portfolio consists primarily of real estate loans (47%), individual loans (25%), and commercial loans (28%). There are no legal, financial, or other adverse factors that would impede the bank's ability to meet the credit needs of the assessment area. The bank's CRA performance was rated "Satisfactory" at their last examination February 24, 1995.

DESCRIPTION OF ASSESSMENT AREA (AA)

The bank has designated Copiah County, Mississippi as its assessment area. Copiah County is divided into six block numbering areas (BNAs) of which one is moderate income (9501) and five are middle income (9502 - 9506). The assessment area meets regulatory requirements and does not arbitrarily exclude low or moderate income geographies.

According to 1990 census information, Copiah County's population is 27,592 with 7,006 families. There are 2,164 households (27.23%) in the moderate income BNA and 7,094 households (72.77%) in the five middle income BNAs. Based on 1997 HUD updates, the median family income is currently \$28,300 compared to the state's non-metropolitan median family income of \$31,500. Copiah County's major industry is related to timber. Approximately 4% of the labor force is unemployed. The average age of the substantial majority of housing is 28 years. Rental housing accounts for 19% of all housing units.

A community leader expressed how well all the banks, (especially Copiah Bank, N.A.) in Copiah County are actively meeting the needs of the community. Affordable housing was identified as the primary need of the low to moderate income community.

Competition in the area is provided by one state chartered community bank with total assets of \$21 million and branches of two statewide regional banks.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA :

Loan-to-Deposit Ratio (LTD)

- The LTD ratio reflects a good willingness to lend.

The bank's quarterly LTD ratio averaged roughly 65% since the prior CRA exam date and is 64.71% at 3/31/97. This is higher than the bank's state chartered local competitor's LTD of 60.47%. In addition, the bank's LTD ranks second among five other banks of comparable size (\$65.3 million to \$72.8 million) located within the state.

Lending in Assessment Area

- The bank's lending is substantially within its assessment areas.

Table 1 illustrates the percentage of loans by number and dollar amount inside and outside of the bank's assessment area. Approximately 85% of the total number and 75% of the total dollar amount of loans originated since 1/2/96 are within the bank's assessment area.

Table 1 Lending Within Assessment Area Loans Originated Between 1/2/96-7/17/97				
	# of Loans	% # of Loans	\$ of Loans (000)	% \$ of Loans
In Assessment Area	5233	86%	\$30,623	75%
Out of Assessment Areas	881	14%	\$10,330	25%
Total Loans	6114	100%	\$40,953	100%

Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

- The distribution of loans reflects very good dispersion of lending to different borrower income levels and businesses of different sizes.

The following distribution analysis was determined from an in-house generated geo-code report of consumer and business loans originated between 1/2/96 and 7/17/97. Table 2 shows, approximately 28% of the total number of loans were made to low-income families which represent roughly 27% of income levels in the assessment area. Another 26% (of the total number of loans) were made to moderate income families which represent 17 of the income levels in the assessment area.

Table 2 Distribution of Loan to Borrowers of Different Incomes Consumer Loans Originated Between 1/2/96-7/17/97					
Family Income Level	# of Loans	% # of Loans	\$ of Loans (000)	% \$ of Loans	# of Families by Income Level
Low	1,139	28%	\$2,873	11%	27%
Moderate	1,064	26%	\$4,187	17%	17%
Middle	881	21%	\$5,626	22%	18%
Upper	1,014	25%	\$12,456	50%	38%
Total	4,098	100%	\$25,142	100%	100%
Low and Moderate	2,203	54%	\$7,060	28%	44%

- The bank has demonstrated a good effort in lending to small businesses.

Small business represent a substantial portion of the bank's loan portfolio. Approximately 30% of total loans originated from 1/2/96 to 7/17/97 were business loans. Of those business loans, 88% of the total number and 90% of the total dollar amount were to small businesses. Small businesses are defined as businesses with less than \$1 million in gross revenues. Table 3 shows a good distribution of loans among small businesses of varying sizes. Of the total number of small business loans originated, 84% were in amounts of \$50,000 or less.

Table 3 Distribution of Business Loans by Size Business Loans Originated Between 1/2/96-7/17/97		
Size of Loan	# of Loans	% of Loans
>\$100,000	19	6%
\$50,000-\$100,000	32	10%
\$25,000-\$50,000	63	20%
\$10,000-\$25,000	105	34%
<\$10,000	95	30%
Total	314	100%

Geographic Distribution of Loans

- o The geographic distribution of loans among the six BNAs in Covich County reflects a reasonable dispersion of loans.

As illustrated in the chart below, an analysis of all loans originating from 1/2/96-7/17/97 revealed 9% of the total numbers of loans and 10% of the total dollar amount of loans were in the moderate income BNA. This compares relatively well to the 27% percentage of families within the assessment area that live in the moderate-income BNA.

Table 4 Geographic Distribution of Loans Originated Between 1/2/96-7/17/97					
BNA	# of Loans	% # of Loans	\$ of Loans	% \$ of Loans (000)	% of Families
9501 Moderate	488	9%	\$3,240	10%	
9502 Middle	642	12%	\$3,945	13%	
9503 Middle	491	9%	\$2,386	8%	
9504 Middle	1648	32%	\$7,886	26%	
9505 Middle	1240	24%	\$7,209	23%	
9506 Middle	724	14%	\$5,957	20%	
Total Moderate	488	9%	\$3,240	10%	27%
Total Middle	4745	91%	\$27,383	90%	73%
Total	5233	100%	\$30,623	100%	100%

If should be noted that the bank's Census Tract Listing report contains the total number of paid-out loans originated between 1/2/97 and 7/17/97. But the report does not contain the originating dollar amounts for the paid-out loans. Therefore, conclusions are based primarily upon the number of loans within the BNA.

Response to Complaints

- o No complaints were received from the public since the prior examination.

No evidence of discrimination or other illegal credit practices was noted during this examination.