



## **PUBLIC DISCLOSURE**

April 24, 2023

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

Trustmark National Bank  
Charter Number: 10523

248 East Capitol Street  
Jackson, MS 39201

Office of the Comptroller of the Currency

400 7<sup>th</sup> Street SW  
Washington, D.C. 20219

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

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## Overall CRA Rating

**Institution’s CRA Rating:** This bank is rated Needs to Improve.

The following table indicates the performance level of Trustmark National Bank (“TNB” or “bank”)with respect to the Lending, Investment, and Service Tests:

Performance Levels	Trustmark National Bank Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X	X	X
Low Satisfactory			
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:

- The bank’s overall CRA Performance Evaluation rating was lowered from “Satisfactory” to “Needs to Improve” as a result of the extent and nature of evidence of discriminatory and illegal credit practices, as described in the Discriminatory or Other Illegal Credit Practices section of this document.
- The Lending Test rating is based on good performance in the Memphis TN-MS MMSA, and the state of Mississippi and Texas rating areas.
- The Investment Test rating is based on good performance in four of the five rating areas.
- The Service Test rating is based on good performance in the state of Alabama and excellent performance in the state of Mississippi. Overall, the bank had an excellent level of Community Development services (CD) in one full-scope area and a good level of CD services considering the obstacles to in-person availability due to the COVID-19 pandemic.

### Lending in Assessment Area

A high percentage of the bank’s loans are in in its assessment areas (AA).

The bank originated and purchased 78.5 percent of its total loans inside the bank’s AAs during the evaluation period. This analysis is performed at the bank level, rather than the AA. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria.

<b>Lending Inside and Outside of the Assessment Area</b>										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	33,464	78.5	9,158	21.5	42,622	6,769,896	79.3	1,767,947	20.7	\$8,537,843
Small Business	20,653	79.2	5,422	20.8	26,075	1,883,681	78.9	504,758	21.1	\$2,388,439
Small Farm	1,801	72.0	699	28.0	2,500	141,210	72.8	52,651	27.2	\$193,861
Total	55,918	78.5	15,279	21.5	71,197	8,794,787	79.1	2,325,356	20.9	\$11,120,143

We consider performance for lending inside the bank's AA when concluding upon geographical distribution of loans within TNB's respective rating areas. Home mortgage and small business loans are considered primary products as they are more responsive to credit needs of all AAs, including low- and moderate-income (LMI) communities in the bank's AAs.

## Description of Bank

TNB is an interstate bank headquartered in Jackson, Mississippi, and wholly owned by the Trustmark Corporation (TMC), a one bank holding company headquartered in Jackson, MS. The bank was chartered in December 1889. TMC has several subsidiaries, including Trustmark Investment Advisors, Inc. and Fisher Brown Bottrell Insurance, Inc. Affiliate activities were not considered in evaluating the bank's performance during the evaluation period.

The bank currently operates 179 branch offices and 240 deposit-taking automated teller machines (ATMs) distributed across 17 AAs in four states: Alabama (AL), Florida (FL), Mississippi (MS), and Texas (TX). The bank also operates in one Multistate Metropolitan Statistical Area (MMSA) across Tennessee (TN) and MS. TNB opened seven branches and closed 20 branches during the evaluation period.

As of December 31, 2021, TNB reported total assets of \$17.6 billion and tier one capital of \$1.5 billion. Total net loans and leases outstanding were \$10.5 billion. The bank's loan portfolio consisted of 26.5 percent non-farm non-residential loans, 20.4 percent 1-4 family residential loans, 15.1 percent commercial and industrial loans, 12.3 percent construction and development loans, 10.1 percent Obligations of state and political subdivisions, and 15.6 percent in other loans. Total deposits were \$15.1 billion.

TNB offers a full range of loan and deposit products to businesses and individuals, including alternative retail services such as direct deposit, free checking accounts, and access to electronic banking services such as bill payment, mobile banking, and e-statements. The bank offers a standard mix of loans including Federal Housing Administration (FHA), Veterans Administration (VA), and Small Business Administration (SBA) loans. TNB's primary focus is home mortgages and commercial lending including lending to small- and medium-sized commercial enterprises. The bank has a trust department and provides investments and insurance products and services to its customers through its affiliates and wholly owned subsidiaries.

### **COVID-19 Pandemic and Natural Disasters**

In March 2020, COVID-19 lockdowns were imposed in many geographic locations which closed many businesses and organizations for varied periods of time, limiting the ability of bank personnel to provide in-person CD Services. Additionally, opportunities for virtual CD service deliveries were limited by the capacity of community organizations and ability of LMI families and small businesses to access virtual technology.

Additionally, during the evaluation period, several hurricanes affected some of the bank's market areas. The severity of storms varied and affected geographic areas differently.

In response to the challenges of COVID-19 and natural disasters, the bank implemented new processes and made contributions to various qualified organizations. The impact of contributions is reflected in the CD Services section of the Service Test and natural disasters discussed below in the Product Innovation and Flexibility section.

### **Paycheck Protection Program**

TNB provided small business loans through the SBA Paycheck Protection Program (PPP), a program that was established as part of the Coronavirus Aid, Relief and Economic Security (CARES) Act. The program was designed to provide economic support to businesses by offering forgivable loans to enable companies to retain employees and pay certain operational expenses incurred during the COVID-19 pandemic. In response, in years 2020 and 2021, TNB employees obtained over 19,000 small business applications that resulted in 15,520 loan originations totaling nearly \$1.4 billion that supported continued employment of over 168,000 small businesses.

In many cases, the bank was unable to collect borrower income information due to the exigent nature of the PPP program. As a result, TNB has a substantially higher volume of small business loans with income not reported in each of its full-scope AAs. Interagency guidance states, "When evaluating CRA performance, the agencies will take into account the unique circumstances affecting borrowers and banks resulting from the COVID-19 emergency and will not penalize a bank for making a large volume of loans for which gross annual revenue information is not available." To fully consider the bank's lending patterns within the context of the PPP program, OCC examiners analyzed bank performance both including and excluding PPP loans for which income was unavailable or uncollected. This generally resulted in better performance when considering the *Distribution of Loans by Income Level of the Borrower* for small businesses in most assessment areas. The impact of this analysis is described in the Lending Test section of each full-scope assessment area.

There were no legal or financial factors impeding the bank's ability during the evaluation period to help meet credit needs in its AAs. TNB's CRA performance was rated "Satisfactory" in the last public evaluation dated June 24, 2019.

### **Product Innovation and Flexibility**

TNB has developed innovative and flexible educational, loan, deposit, and credit card programs. Some of the programs offered are described below.

### **Federal Home Loan Bank of Dallas Membership Programs**

TNB partners with the Federal Home Loan Bank (FHLB) of Dallas to offer grant funding on affordable housing projects, down payment assistance for LMI homebuyers, rehabilitation grants for LMI homeowners with special needs, and donation matching for qualified community service organizations.

#### **Affordable Housing Project (AHP)**

TNB worked in cooperation with FHLB to administer funding for several AHPs within the bank's Mississippi AAs that include a low-income apartment complex, a senior living center, and an affordable housing development. Grant funds to finance AHP projects totaled \$1.9 million which provided 215 affordable housing units to LMI families.

#### **Home Equity Leverage Partnership (HELP)**

TNB's Community Lending Specialists assisted LMI applicants to secure grant funds offered through the HELP subsidy program. During the evaluation period, TNB assisted 28 first-time homebuyers with a total of \$280,000 in down payment assistance.

#### **Special Needs Assistance Program (SNAP)**

TNB partners with a local community organization to identify special needs homeowners in need of home repairs and rehabilitation. Through the SNAP program, 33 homeowners were able to obtain needed repairs on their homes. During the evaluation period, grant funds totaled \$192,897.

#### **Partnership Grant Program**

FHLB offers three-to-one match for TNB contributions to a local community-based organization (CBO). TNB partnered with a Housing Education and Economic Development, Inc that is based in the Mississippi area. During the evaluation period, TNB garnered \$15,000 in contribution funds to the CBO.

### **Natural Disaster Response**

During the evaluation period, several hurricanes affected the bank's market area. The severity of the storms varied and affected geographic areas differently. In response, TNB offered affected deposit customers more leniency in the application and refunds of non-sufficient funds and overdraft fees. Some of the relief options included:

- Late fees freeze for three months for all homeowners with properties in Federal Emergency Management Agency (FEMA) individual declared areas.
- Enhanced loss mitigation efforts for affected homeowners, including disaster forbearance, repayment plans, loan modifications, and partial loss mitigation claims.
- Direct email communications with affected homeowners describing hurricane relief options.

Mortgage Division natural disaster assistance included:

- Mortgage servicers were authorized to offer forbearance including instances without established contact (based on investor).
- Homeowners affected by a disaster were eligible to reduce or suspend their mortgage payments.
- During the temporary payment break, the homeowner did not incur late fees and TNB suspended foreclosure and other legal proceedings.
- Options to homeowners to potentially assist homeowners to catch up on missed payments, including disaster payment deferral, disaster modifications, and forbearance.

- After receipt of confirmation that an account was impacted by a natural or declared disaster, credit bureau reporting for the loan was placed on hold or the loan was reported as deferred.

Additionally, during the evaluation period, retail customers affected by natural disaster benefits included loan extensions for 33 borrowers located in four states, of which seven borrowers were located in LMI census tracts (CTs).

### **Financial Education**

Due to the COVID-19 pandemic, many in-person financial education classes were suspended. In response, TNB employees performed virtual instructions through Microsoft Teams and Zoom to meet the financial literacy needs.

### **Financial Scholars**

TNB partners with EVERFI to promote financial literacy for students through the Trustmark Financial Scholars program. The program is an online financial education tool that teaches students to manage their money more effectively, make decisions that strengthen their financial future, and gain confidence in their financial knowledge. Students ranging from elementary age to young adults in college take part in the program to build a strong financial education foundation. During the evaluation period, over 100 schools and over 11,000 students attended, where over half of the schools participating in the program had 50 percent or more students eligible for free or reduced lunch.

### **FDIC Money Smart Financial Education Program**

TNB employees use the FDIC's Money Smart Financial Education (Money Smart) program to promote financial literacy through computer-based and instructor-led curriculums aimed at Young People, Young Adults, Adults, Other Adults, and Small Business owners. TNB employees lead classes on pertinent topics to learners in each age range to help promote positive banking experiences and strengthen the participant's financial knowledge. The program was utilized in a majority of the bank's AAs.

### **Operation HOPE**

TNB partnered with Operation HOPE, a national nonprofit financial counseling organization whose focus is financial dignity and inclusion to launch HOPE Inside. Operation HOPE centers and financial coaches are provided space inside Trustmark branches to promote financial wellbeing and economic empowerment with free financial counseling to LMI community residents. Programs include Credit and Money Management, Affordable Homeownership, Small Business Development, Youth Financial Literacy, Youth Entrepreneurship, Youth Job Skills, and Financial Disaster Recovery. The Employee Financial Wellness program focuses on FICO score, budgeting, debt management, and customized approaches to saving for life events. In 2020, TNB committed to a two-year partnership with Operation HOPE, contributing \$100,000 per year and placing an Operation HOPE financial wellness coach inside a Trustmark branch in Memphis, Tennessee. Subsequently, the commitment was extended and expanded into Montgomery, Alabama, and Jackson, Mississippi. Various facilities performed the following services during the evaluation period:

- Operation HOPE, located inside the Memphis, Tennessee branch, served 277 clients by providing 2,027 financial services, including counseling enrollment, follow-up coaching

sessions, group education services, disaster services and referrals, and bank referrals. A large percentage, 79 percent, of clients experienced improvement in credit scores, an average increase of 18 points and FICO scores of 660 or greater.

- Operation HOPE facility in Jackson, Mississippi is a cooperation with Trustmark, the City of Jackson, and Operation HOPE that served 77 clients and conducted 312 financial empowerment services, including group education, coaching, and referrals.
- Operation HOPE in Montgomery, Alabama held a grand opening event at City Hall that was hosted by the City of Montgomery. HOPE coaches in Montgomery provided 529 financial services to 96 individuals.

### **Home Mortgage Products**

TNB developed products and services to meet the needs of LMI and minority homebuyers and borrowers as well as individuals living in LMI geographies and Majority Minority Census Tracts (MMCTs) through the Advantage line of products.

### **Home Advantage and Home Advantage Plus**

The Home Advantage product is available to any income level applicant applying for loans to purchase properties located in LMI CTs and MMCTs. This product is also available to applicants' purchasing properties located outside these CTs where the applicant's income is no more than 80 percent of the median income of the relevant area. This product offers up to 100 percent financing for the purchase or refinance of a customer's primary residence, no mortgage insurance requirement, and there are 0–3 percent down payment options based on the applicant's credit score, debt-to-income ratios, and cash reserves. The program includes both purchase and refinance options, and the bank lends amounts of up to the Fannie Mae conforming loan limit. Homebuyers also receive financial education as part of the program.

The Home Advantage PLUS is a loan product for Home Advantage homeowners that offers borrowers residing in LMI CTs, MMCTs and LMI borrowers approved for the Home Advantage program with an additional loan up to \$6,500 to put towards a down payment, closing costs, home improvements, or any other needs associated with their home purchase.

During the evaluation period, TNB originated nearly \$312 million Home Advantage loans and over \$2.5 million loans through the Home Advantage PLUS program. For Home Advantage loans by borrower income distribution, 431 loans were to low-income borrowers and 1,252 loans were to moderate-income borrowers for a total of \$51.5 million and \$194.2 million, respectively. For Home Advantage PLUS loans, 83 loans totaling \$446,130 were originated to low-income borrowers and 271 loans totaling approximately \$1.6 million were originated to moderate-income borrowers.

### **Fannie Mae HomeReady®**

The Fannie Mae HomeReady® loan product is a Fannie Mae mortgage loan program designed for low-income borrowers with features such as reduced mortgage insurance coverage requirements, up to 97 percent loan-to-value financing, and flexible and innovative loan underwriting. Income for qualified



applicants cannot exceed 80 percent of the area median income. During the evaluation period, TNB originated 185 HomeReady® loans totaling over \$30.8 million.

### **USDA Rural Development Mortgage Product**

TNB makes mortgage loans under the U.S. Department of Agriculture's (USDA) Single Family Guaranteed Loan Program. This program is intended to provide LMI and other households the opportunity to own a home in an eligible rural area. To qualify under this program, applicants must not exceed 115 percent of the median household income for the area and must occupy the home as their permanent residence. During the evaluation period, TNB originated or purchased 1,411 rural housing loans totaling \$232.3 million.

### **True Advantage**

TNB's True Advantage program is intended to provide LMI borrowers and residents in LMI CTs and MMCTs with a loan up to \$6,500. The True Advantage loan is secured by the borrower's single-family, owner-occupied residential property with no equity requirements and does not require a first lien position. The product allows LMI borrowers, including minority borrowers and those in MMCTs, to use funds from the collateralization of their homes for any of their needs. This product is available in all markets except Texas. During the evaluation period, TN originated \$1.1 million in loans through this program with \$628,366 originated to LMI borrowers and \$589,366 on properties located in LMI CTs. Based upon distribution by borrower income, 39 loans totaling \$196,366 were originated to low-income borrowers and 84 loans totaling \$432,000 were originated to moderate-income borrowers.

### **Deposit Product**

#### **Advantage Deposit Accounts**

In 2021, TNB introduced Advantage Checking and Advantage Savings deposit products that are intended to target underserved, underbanked, or unbanked individuals. These products are intended to benefit individuals who may not qualify for traditional checking or savings accounts due to factors such as prior charge-offs, with the ability to graduate to a traditional checking account. During 2021, by distribution of loans by income level of their geographic area, a total of 308 Advantage Checking accounts were opened that included 31 borrowers located in low-income CTs and 82 borrowers located in moderate-income CT. Also, a total of 94 Advantage Savings accounts were opened that included six borrowers located in low-income CTs and 29 borrowers located in moderate-income CTs.

### **Credit Card Product**

#### **Credit-Building Credit Card**

In 2020, TNB launched a credit-building credit card product, extending alternative options to applicants that would not typically qualify for a standard credit card. The card has no annual fee and allows the individual to build credit while being secured by the applicant's savings account. Since its launch, TNB has opened 216 secured credit card accounts and 70 percent of the applicants were LMI.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

TNB's evaluation period is January 1, 2019, through December 31, 2021. We used this evaluation period to conduct analysis and form conclusions for all performance tests associated with this public evaluation, i.e., Lending Test, Investment, and Service Tests. For the Home Mortgage Disclosure Act (HMDA) analysis and conclusions for lending activity, geographic distribution, and borrower distribution, we consolidated the bank's home purchase, home refinance, and home improvement loans. We concluded on all home mortgage, small loans to business, and small farm loan products that met the definition of a primary loan product in the bank's respective AAs. To be considered a primary loan product, there must have been at least 20 loans originated or purchased for a specific loan product within a respective AA, throughout the evaluation period.

The OCC compared bank loan data for all applicable years in the state rating areas and the MMSA to demographic and aggregate data using the 2015 U.S. Census American Community Survey (ACS); Federal Financial Institutions Examination Council (FFIEC) adjusted median family incomes; 2020 Dun and Bradstreet small business demographic data; 2021 peer mortgage loan data reported under HMDA; and 2021 peer small business and small farm loans reported under CRA.

Small loans to farms were not a primary loan product in the state of Florida. During the evaluation period, the bank originated 37 small farm loans throughout the state. However, there was not a sufficient number of loan originations in any AA for a meaningful analysis.

Bank and branch deposit data is as of June 30, 2021, based on information from the Federal Deposit Insurance Corporation (FDIC). The distribution of bank branches is compared to U.S. Census 2015 ACS population estimates. Additionally, the bank complements its traditional service delivery methods with certain alternative retail delivery systems, such as deposit-taking ATMs, direct deposit, telephone banking, mobile banking, and online banking. We placed no significant weight on these activities, as no data was available to determine their impact on LMI individuals.

### Selection of Areas for Full-Scope Review

In each state where the bank has an office, one or more AA(s) within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated assessment areas located within the same metropolitan statistical area (MSA), multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope. Refer to the "Scope" section under each State Rating section for details regarding how full-scope AAs were selected. Refer to appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

### Ratings

The bank's overall rating is a blend of the state ratings, and where applicable, multistate ratings. When determining the overall bank ratings, we gave the most weight to the states of Alabama and Mississippi as these two rating areas combined accounted for the majority of the bank wide deposits (78.2 percent), HMDA loan originations (80.4 percent), and small loans to businesses originations (76.2 percent). We also gave more weight to the bank's performance in HMDA loans as compared to small loans to businesses as HMDA loans comprise a larger percentage of bank wide loans (59.7 percent) and loan volume (74.7 percent). In AAs where meaningful small farm lending analysis could be performed, it was given much less weight compared to HMDA and CRA small business performance.

The MMSA and state ratings are based on performance in all bank AAs. Refer to the “Scope” section under each State and MMSA Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

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

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

The OCC identified the following public information regarding non-compliance with the statutes and regulations prohibiting discriminatory or other illegal credit practices with respect to this institution:

The OCC determined that Trustmark engaged in a pattern or practice of unlawful discrimination and cited the bank for violations of the Fair Housing Act. The OCC assessed a civil money penalty of \$4 million in a consent order dated October 20, 2021. Between 2014 through 2016, the bank did not provide equal access to credit to residents seeking mortgage loans in majority-minority and high-minority census tracts in the Memphis, Tennessee-Mississippi-Arkansas Metropolitan Statistical Area (Memphis MSA). The bank's disparate treatment was evidenced through the bank's pattern of mortgage application and origination activity, branching history, mortgage loan officer structure and operations, and marketing and advertising.

The OCC coordinated its civil money penalty action with an October 27, 2021, U.S. Department of Justice and Consumer Financial Protection Bureau consent order resolving claims in a complaint filed in federal district court that the bank engaged in a pattern or practice of discrimination in the Memphis MSA in violation of the Fair Housing Act and Equal Credit Opportunity Act. The bank did not admit or deny the allegations in the complaint.

Following the findings, the bank undertook significant corrective actions to address the impact of these practices and ensure that the conduct does not recur. As part of the consent order, the bank agreed to provide training to relevant bank staff and officials, submit a credit needs assessment and remedial plan to the plaintiffs for non-objection, open a loan production office subject to regulatory approval, invest \$3.85 million in a loan subsidy fund, spend a minimum of \$400,000 over the five-year term of the consent order on partnerships with organizations providing residents of majority-Black and Hispanic census tracts in the Memphis area with certain types of credit- and financial-related services, spend at least \$200,000 per year in connection with an outreach plan, outreach, financial education, and payment of a civil money penalty to the Consumer Financial Protection Bureau.

As a result of these findings, and after consideration of the nature, extent, and strength of the evidence of the practices; the extent to which the institution had policies and procedures in place to prevent the practices; the extent to which the institution has taken or has committed to take corrective action, including voluntary corrective action resulting from self-assessment; and other relevant information, the CRA Performance Evaluation rating was lowered from "Satisfactory" to "Needs to Improve."

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by, or provided to, the OCC before the end of the institution'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.

## Memphis TN-MS MMSA

**CRA rating for the Memphis TN-MS MMSA<sup>1</sup>:** Satisfactory

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

**The Investment Test is rated:** High Satisfactory

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

The major factors that support this rating include:

- Lending levels reflect adequate responsiveness to AA credit needs.
- The bank exhibits an adequate geographic distribution of loans in its AA.
- The bank exhibits a good distribution of loans among individuals of different income levels and businesses.
- The bank has a good level of qualified CD investments and grants. CD investments were responsive to affordable housing needs.
- Service delivery systems are unreasonably accessible to geographies and individuals of different income levels. The opening of a branch in a moderate-income census tract has improved the accessibility of delivery systems in LMI geographies. The bank is a leader in providing CD services that had a positive impact on the Service Test rating.

## Description of Institution’s Operations in Memphis TN-MS MMSA

The Memphis TN-MS MMSA is comprised of the complete counties of Fayette and Shelby in TN and Desoto in MS. The AA consists of whole counties.

The bank made 6.3 percent of its loan originations and purchases compared to total bank loans during the evaluation period in the AA. Deposits in the MMSA also accounted for 6.3 percent of total bank deposits.

## Memphis TN-MS MMSA

Table A – Demographic Information of the Assessment Area						
Assessment Area: Memphis TN-MS MMSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	265	24.5	20.0	21.5	31.7	2.3

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

Population by Geography	1,145,150	18.1	19.5	21.4	40.4	0.5
Housing Units by Geography	481,128	20.5	19.5	21.1	38.6	0.3
Owner-Occupied Units by Geography	254,919	10.8	15.8	22.9	50.3	0.1
Occupied Rental Units by Geography	167,161	28.9	23.8	19.9	27.2	0.3
Vacant Units by Geography	59,048	38.7	23.2	16.3	20.7	1.1
Businesses by Geography	79,844	12.0	15.1	21.1	50.8	1.0
Farms by Geography	1,788	6.9	11.2	26.3	54.7	0.8
Family Distribution by Income Level	275,627	24.1	15.4	17.2	43.3	0.0
Household Distribution by Income Level	422,080	25.2	15.2	16.4	43.2	0.0
Median Family Income MSA - 32820 Memphis, TN-MS-AR MSA		\$58,214	Median Housing Value			\$137,855
			Median Gross Rent			\$875
			Families Below Poverty Level			14.8%
<i>Source: 2015 ACS and 2020 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

According to 2015 ACS data, the Memphis TN-MS MMSA has a population of over 1.1 million people. The bank's delineated AA consists of 265 CTs, which include 65 low-income, 53 moderate-income, 57 middle-income, 84 upper-income, and six are unidentified CTs. The AA meets the requirement of the regulation and does not arbitrarily exclude low- or moderate-income geographies.

Based on FDIC Deposit Market Share data as of June 30, 2021, the bank had a 2.5 percent deposit share within the AA, ranking ninth of 41 financial institutions doing business in the market. These deposits, totaling \$922.5 million, accounted for 6.9 percent of the bank's total deposit holdings. Primary market competitors in the AA include a mix of regional and large institutions, comprised of First Horizon Bank, which is ranked first in market share with 41 offices; Regions Bank, which ranked second in market share with 38 offices; Truist Bank, which ranked third in market share with 22 offices; and Bank of America, which ranked fourth in market share with 13 offices.

TNB provides a full range of loan and deposit products and services in the MSA. The bank operated 19 full-service branches; one located in a low-income CT, one located in a moderate-income CT, six located in middle-income CTs, and 11 located in upper-income CTs. Additionally, TNB has 18 deposit-taking ATMs and five Interactive Teller Machine (ITMs) throughout the AA.

### ***Employment Factors***

During the evaluation period, the unemployment rate increased during the COVID-19 pandemic. According to the U.S. Bureau of Labor and Statistics, as of December 2021, the unemployment rate in the Memphis TN-MS MMSA was 5 percent, representing a slight increase from 4.1 percent in January 2019. The unemployment rate increase coincides with the proliferation of the COVID-19 pandemic. The U.S. National Unemployment rate as of December 2021 was 3.9 percent. Similarly, the unemployment rates were 3.6 percent and 4.3 percent for the states of Tennessee and Mississippi, respectively.

### *Housing Characteristics*

According to 2015 U.S. Census data, there are 481,128 total housing units in the AA, consisting of approximately 53 percent owner-occupied units and 34.7 percent rental occupied units. Approximately 10.8 percent of owner-occupied units and 28.9 percent of renter occupied units are in low-income CTs. Further, 15.8 percent of owner-occupied units and 23.8 percent of renter occupied units are in moderate-income CTs.

The MMSA is a high cost housing area, limiting access to affordable home ownership among LMI borrowers. According to Realtor.com data, the median housing value in the AA was \$325,000 in 2021, representing a 57.7 percent increase from the median housing value of \$206,100 at the beginning of the evaluation period in 2019. Assuming a 30-year mortgage with a five percent interest rate, and not accounting for down payment, homeowners' insurance, real estate taxes, or any additional monthly expenses, a low-income borrower making \$38,100 per year (or less than 50 percent of the 2021 FFIEC adjusted median family income in the AA) could afford a \$177,433 mortgage with a payment of \$953 per month. A moderate-income borrower making \$60,960 per year (or less than 80 percent of the 2021 FFIEC adjusted median family income in the AA) could afford a \$283,893 mortgage with a payment of \$1,524 per month. This illustrates that LMI borrowers would be challenged to qualify for a mortgage loan in the AA with an estimated payment of \$1,745, according to Realtor.com data.

### *Economic Conditions*

According to Moody's Analytics, the local economy fared well throughout the pandemic, supported in part by the robust transportation and logistics industry in the area. Memphis' central location and large cargo airport makes the area a logistical hub for the majority of the continental US. As consumer and business demand for transportation services ramped up during pandemic shutdowns, the area was able to maintain a relative level of stability; supported in part by hiring activity within the industry, resulting in unemployment rates returning to early 2020 levels by year-end 2021. Manufacturing employment remained relatively flat during the evaluation period, but future contributions to wage growth will be meaningful as Ford Motor Co. is planning to invest up to \$5 billion in a new manufacturing campus just outside the area. This facility is projected to employ around 5,000 mid- to high-wage earners once fully operational.

Similar to the rest of the nation, the housing market within the AA was highly impacted by Federal Reserve market intervention during the pandemic. Housing value appreciations trailed state averages; however, parallel stagnation in the rate of income growth resulted in prices becoming highly overvalued by year end 2021. As the Federal Reserve attempts to combat inflation, average housing prices are projected to fall by more than 10 percent over the next two years, which will return the area to around its pre-pandemic level. This is among the five largest deteriorations within the southern metropolitan areas of more than one million residents. The downturn in housing values is one of the most significant among metropolitan areas in the south that have populations exceeding one million residents.

We utilized one community contact, an economic development foundation located within the AA that was conducted during the evaluation period. The contact identified needs within the community as affordable housing, financial education services, small business lending, and minority owned business lending. The contact noted many institutions offer first-time homebuyer down payment assistance; however, the primary need is for affordable housing.

## Scope of Evaluation in Memphis TN-MS MMSA

The Memphis TN-MS MMSA was selected for analysis using full-scope procedures because it is the only AA in the rating area.

The rating is based on results of the full-scope area. Please see appendix A for more information.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MEMPHIS TN-MS MMSA

### LENDING TEST

The bank's performance under the Lending Test in the Memphis TN-MS MMSA is rated High Satisfactory.

Based on a full-scope review, the bank's performance in the Memphis TN-MS MMSA is good.

### Lending Activity

Lending levels reflects adequate responsiveness to AA credit needs.

Number of Loans					
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total
Memphis TN-MS MMSA	2,606	1,033	62	3	3,704

Dollar Volume of Loans					
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total
Memphis TN-MS MMSA	\$464,589	\$94,102	\$3,396	7,025	\$569,112

The following factors support the bank's adequate responsiveness to community credit needs:

According to the June 30, 2021, FDIC Summary of Deposits Report, TNB had a total of \$922.5 million in deposits in the Memphis TN-MSA MMSA. TNB is ranked ninth in the deposit market with a deposit market share of 2.5 percent in a market of 41 deposit taking institutions. TNB's deposits account for 6.1 percent of the bank's total deposits. The bank's deposit market share ranking was in the top 21.9 percentile in the AA.

Residential lending competition is significant in the Memphis TN-MS MMSA with 619 competitors in the market. According to the 2021 peer mortgage data, TNB ranked 15<sup>th</sup> with a 1.9 percent market share. TNB's mortgage share of 1.9 percent is lower than the bank's 2.5 percent deposit market share. The bank's market share of mortgage loan originations rated in the top 2.4 percentile in the AA. The bank's market share ranking of mortgage loans was weaker than TNB's deposit market share.

Competition in small business lending is also significant in the MMSA with 165 lenders. According to the 2021 peer small business data, TNB ranked 18<sup>th</sup> with a 1.5 percent market share. The bank's small business market share of 1.5 percent is lower than the deposit market share of 2.5 percent. The bank's



small business loan origination market share ranked in the top 10.9 percent of all small business lenders. The bank's market sharing ranking of small business loan originations was weaker than TNB's deposit market sharing ranking.

According to the 2021 peer small farm peer data, TNB ranked fifth with a small farm market share of 10.0 percent in a market of 21 lenders. The small farm market share of 10.0 percent is greater than the deposit market share of 2.5 percent. The bank's small farm loan origination market share ranked in the top 23.8 percent of all small farm lenders. TNB's market share of small farm loan originations was lower than TNB's deposit market share ranking.

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

The bank exhibits an adequate geographic distribution of loans in its AA.

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

Refer to Table O in the "MMSA" 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.

Based on the data in the tables and the following considerations, the bank's overall geographic distribution of home mortgage loan originations and purchases for this evaluation is adequate. The following information was taken into consideration when determining this rating.

The bank and other home mortgage lenders are challenged by strong competition in the AA with 619 lenders.

The bank's level of lending in low-income geographies was significantly below the proportion of owner-occupied housing units and below the aggregate distribution of lending in those tracts. The proportion of the bank's mortgage lending in moderate-income geographies was well below the proportion of owner-occupied housing units and was equal to the aggregate distribution of lending in those geographies.

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

Refer to Table Q in the "MMSA" 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.

Based on the data in the tables and the following considerations, the bank's overall geographic distribution of small loans to business for this evaluation is adequate. The following information was taken into consideration when determining this rating.

The competition for small business lending in the AA is strong with a total of 165 lenders.

TNB's level of small loans to businesses in low-income tracts was well below both the percentage of businesses and the aggregate distribution of lending in those tracts. The bank's lending in moderate-income tracts was below the percentage of businesses and well below the aggregate distribution of lending in moderate-income tracts.

***Small Loans to Farms***

Refer to Table S in the “MMSA” 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 farms.

Based on the data in the tables and the following considerations, the bank’s overall geographic distribution of small loans to farms for this evaluation is adequate. The following information was taken into consideration when determining this rating.

The opportunity to make small farm loans in the low-income tracts is very limited because a very small percentage of farms in the AA (6.9 percent) is in those tracts. Although 11.2 percent of farms are in moderate-income tracts, most farmers (81 percent) are in middle-and upper-income tracts. The bank’s performance is considered within the context of the number of farms within the AA.

The bank’s level of small loans to farms was significantly below the proportion of small farms and exceeded aggregate distribution in low-income geographies. In moderate-income CTs, the bank did not originate any loans in a market with 11.2 percent farms and 4.25 percent aggregate.

Small farm lending is not a business focus for the bank. The bank’s lending performance is considered within the context of its business focus and has minimal impact on the overall lending performance conclusion.

***Lending Gap Analysis***

Examiners reviewed summary reports and maps and analyzed home mortgage and small business lending activity to identify any gaps in the geographic distribution of loans in all full-scope AAs. Examiners did not identify any unexplained conspicuous gaps in any of the areas they reviewed.

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

The bank exhibits a good distribution of loans among individuals of different income levels and business and farms of different sizes.

***Home Mortgage Loans***

Refer to Table P in the “MMSA” 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.

Based on the data in the tables and the following considerations, the bank’s overall borrower distribution of home mortgage loan originations and purchases for this evaluation is excellent. The following information was taken into consideration when determining this rating.

Competition is strong for mortgage loans with 619 mortgage lenders in the AA. Additionally, the percentage of households in the AA that are LMI include 25.2 percent classified as low-income and 15.2 percent classified as moderate-income.

The proportion of bank loans to low-income borrowers was below the percentage of low-income families but exceeded the lending conducted by its competitors. The proportion of loans to moderate-

income borrowers exceed the percentage of moderate-income families and the lending conducted by its competitors, represented by the aggregate distribution of loans to moderate-income families.

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

Refer to Table R in the “MMSA” 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.

When determining the conclusion in this AA, we considered the fact that 44.7 percent of the bank’s small loans to businesses were PPP loans that did not have revenue information. Based on the data in the tables and considering the performance context factors discussed above, the overall borrower distribution of small loans to businesses was adequate. Consideration of the bank’s PPP lending had a positive effect on our assessment of the bank’s Distribution of Loans by Income Level of the Borrower.

The bank did not collect or consider gross annual revenue when underwriting 75.1 percent of its small loans to businesses. Based on those businesses with known revenues, the bank’s percentage of small loans to businesses with revenue of \$1 million or less was well below the proportion of those businesses in the AA, but below the aggregate distribution of loans.

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

Refer to Table T in the “MMSA” section of appendix D for the facts and data used to evaluate the borrower distribution of the bank’s originations and purchases of small loans to farms.

Based on the data in the tables and the following considerations, the bank’s overall geographic distribution of small loans to farms for this evaluation is good. The following information was taken into consideration when determining this rating.

The bank’s proportion of loans to small farms was below the proportion of small farms and exceeded the aggregate distribution of lending to small farms in the AA.

Small farm lending is not a business focus for the bank. The bank’s lending performance is considered within the context of its business focus and has minimal impact on the overall lending performance conclusion.

## **Community Development Lending**

The bank has made an adequate level of CD loans.

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution’s level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

### **Memphis TN-MS MMSA**

The volume of CD lending is adequate and had a minimal impact on the Lending Test performance in the Memphis TN-MS MMSA. During the evaluation period, TNB originated three CD loans totaling \$7 million or 6.75 percent of allocated tier 1 capital. CD loans originated exhibited adequate responsiveness

to the credit and community needs in the AA. By dollar volume, 100 percent funded community services in the AA.

The following examples demonstrate the bank’s use of complex responsive CD loans:

- The bank originated two loans totaling \$3.6 million to a retail organization that employs over 700 LMI workers in the AA.
- The bank made a \$3.4 million loan to purchase an office building located in a moderate-income CT. The building will be converted into an adult high school to help LMI adults in the AA obtain their high school diploma at no cost.

**Product Innovation and Flexibility**

The bank makes little use of innovative and/or flexible lending practices in order to serve AA credit needs. TNB supported affordable housing through participation in down payment assistance and closing costs credits. During the evaluation period, through the Home Advantage PLUS program, TNB made \$35,000 in down payment assistance and \$12,000 in closing cost credits. Additionally, the bank issued 33 credit-building card cards to LMI borrowers. For a description of these programs, see the “Product Innovation and Flexibility” section of the Overall Description of Bank.

**INVESTMENT TEST**

The bank’s performance under the Investment Test in Memphis TN-MS MMSA is rated High Satisfactory.

**Conclusion for Area Receiving a Full-Scope Review**

Based on a full-scope review, the bank’s performance in the Memphis TN-MS MMSA is good.

The bank has a significant level of qualified CD investments and grants, occasionally in a leadership position, particularly those that are not routinely provided by private investors.

The bank exhibits good responsiveness to credit and community economic development needs. The bank makes significant use of innovative and/or complex investments to support CD initiatives.

**Number and Amount of Qualified Investments**

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000’s)	#	\$(000’s)	#	% of Total #	\$(000’s)	% of Total \$	#	\$(000’s)

Memphis TN-MS MMSA	48	\$36,327	111	\$11,532	159	97.5	\$47,859	85.1	1	\$2,527
Statewide	0	\$0	4	\$8,367	4	2.5	\$8,367	14.9	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.

## Memphis TN-MS MMSA

TNB had 159 qualified CD investments and donations totaling \$47.9 million and an unfunded commitment of \$2.5 million, which is equivalent to 48.4 percent of allocated tier 1 capital. Throughout the evaluation period, TNB made 111 current period CD investments and donations totaling \$11.5 million. Additionally, the AA benefitted from the ongoing impact of 48 prior period CD investments with outstanding balances of \$36.3 million. The bank also had one unfunded commitment totaling \$2.5 million. The bank's CD investments and donations were responsive to affordable housing and financial education needs in the AA.

Examples of CD investments and donations include:

- TNB provided a \$5 million investment in a low-income housing tax credit (LIHTC) that assisted in the rehabilitation of 146 low-income multi-family units located in a LMI CT.
- TNB made a \$375 thousand contribution to a Community Investment Tax Credit program that will assist in the construction of 34 affordable housing units in the AA.
- TNB contributed \$100 thousand in the form of office space donations within TNB branches to an organization that promotes economic development and financial literacy to LMI individuals.

## Statewide

The bank made four current period investments totaling \$8.3 million outside of its AAs in the broader statewide area. These investments include one Community Development Financial Institution (CDFI) to fund a manufacturing facility and three deposits to a minority depository institution. Statewide CD investments had a positive impact on the Investment Test rating in Tennessee.

## SERVICE TEST

The bank's performance under the Service Test in Memphis TN-MS MMSA is rated Low Satisfactory.

## Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the Memphis TN-MS MMSA is adequate considering performance context. We considered as bank performance context the bank's limited presence in the AA, the bank's low share of deposits relative to other financial institutions in the AA, the high competition from regional and large financial institutions providing services in the AA, and a significant level of CD services.

## Retail Banking Services

Delivery systems are unreasonably inaccessible to portions of the AA, particularly LMI geographies and/or LMI individuals.

Distribution of Branch Delivery System											
Assessment Area	Deposits	Branches						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				% of Population within Each Geography*			
				Low	Mod	Mid	Upper	Low	Mod	Mid	Upper
Memphis TN-MS MMSA	100	19	100	5.3	5.3	31.6	57.8	18.1	19.5	21.4	40.4

\*N/A 0.5

The bank has 19 branches within the AA, one located in a low-income CT, and one located in a moderate-income CT. The percentage of the bank's branches in both low-income geographies and moderate-income geographies were significantly below the percentage of population living in those geographies. The bank has 23 deposit-taking ATM/ITMs located in the AA, with one in a low-income CT and two in moderate-income CTs. The percentage of ATM/ITMs in low-income CTs and in moderate-income CTs were significantly below the level of population in both low-income and moderate-income areas. ATM distribution is consistent with the bank's branch distribution.

Distribution of Branch Openings/Closings						
Assessment Area	Branch Openings/Closings					
	# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)			
			Low	Mod	Mid	Upper
Memphis TN-MS MMSA	2	2		+1	-1	

To the extent changes have been made, the bank's opening and closing of branches has improved the accessibility of its delivery systems, particularly in moderate-income geographies and/or to LMI individuals living in the area. The bank opened two branches, one in a moderate-income CT and one in an upper-income CT and closed two branches, one in a middle-income CT and one in an upper-income CT.

Services, including where appropriate, business hours, do not vary in a way that inconveniences the various portions of the AA, particularly LMI geographies and/or individuals. All branches operate during traditional banking hours of 9:00 am to 4:30 pm Monday through Thursday and 9:00 am to 5:00 pm (some branches 6:00 pm) on Friday.

## Community Development Services

The bank provides a significant level of CD services.

CD services were effective and responsive in helping the bank address community needs. The bank conducted or supported a good number of CD services, consistent with its capacity and expertise to conduct specific activities.

TNB employees from various lines of business provided technical assistance to 35 different CD organizations totaling 244 hours during the evaluation period and the COVID-19 pandemic. TNB staff served on four boards and committees for organizations that provide community services targeted to LMI individuals.

Examples of some of these services:

- Several employees taught financial literacy courses using Money Smart modules.
- An employee served as a member on the Board of Directors of an organization that enhances the economic well-being of LMI individuals by improving access to the banking system.
- An employee served as a member of the Board of Directors of a non-profit affordable housing organization that targets its services to families that are underserved by the traditional home ownership industry.

## State Rating

### State of Alabama

**CRA rating for the State of Alabama<sup>2</sup>:** Satisfactory

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

**The Investment Test is rated:** High Satisfactory

**The Service Test is rated:** High Satisfactory

The major factors that support this rating include:

- Lending levels reflect excellent responsiveness to AA credit needs.
- The bank exhibits adequate geographic distribution of loans in its AA.
- The bank exhibits good distribution of loans among individuals of different income levels and businesses.
- The bank has a good level of qualified CD investments and grants. CD investments were responsive to affordable housing needs.
- Service delivery systems are accessible to geographies and individuals of different income levels. CD services had a positive impact on the Service Test rating.

### Description of Institution's Operations in Alabama

TNB has eight AAs within the state of Alabama. These AAs are comprised of the Auburn-Opelika MSA, Birmingham-Hoover MSA, Daphne-Fairhope-Foley MSA, Huntsville MSA, Mobile MSA, Montgomery MSA, AL Non-MSA, and Tuscaloosa MSA. The AAs consist of whole MSAs or counties.

The bank made 34 percent of its loan originations and purchases compared to total bank loans during the evaluation period in the state. Deposits in the state account for 15.9 percent of total bank deposits.

### Daphne-Fairhope-Foley MSA

Table A – Demographic Information of the Assessment Area						
Assessment Area: Daphne-Fairhope-Foley MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	32	0.0	18.8	62.5	15.6	3.1
Population by Geography	195,121	0.0	16.4	64.6	19.0	0.0
Housing Units by Geography	106,422	0.0	19.3	59.9	20.8	0.0
Owner-Occupied Units by Geography	52,997	0.0	14.9	65.0	20.1	0.0

<sup>2</sup> This rating reflects performance within the multistate metropolitan statistical area. The statewide evaluations do not reflect performance in the parts of those states contained within the multistate metropolitan statistical area.



Occupied Rental Units by Geography	21,107	0.0	21.8	61.1	17.1	0.0
Vacant Units by Geography	32,318	0.0	25.0	50.8	24.3	0.0
Businesses by Geography	17,515	0.0	19.0	59.7	21.3	0.0
Farms by Geography	592	0.0	19.8	63.9	16.4	0.0
Family Distribution by Income Level	50,276	20.6	17.7	20.9	40.9	0.0
Household Distribution by Income Level	74,104	24.0	16.2	18.6	41.2	0.0
Median Family Income MSA - 19300 Daphne-Fairhope-Foley, AL MSA		\$62,271	Median Housing Value			\$184,430
			Median Gross Rent			\$894
			Families Below Poverty Level			9.6%
<i>Source: 2015 ACS and 2020 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The Daphne-Fairhope-Foley MSA is comprised of Baldwin County in Alabama. The AA meets the requirement of the regulation and does not arbitrarily exclude low- or moderate-income geographies.

According to the 2015 ACS data, the population of the Daphne-Fairhope-Foley MSA is over 195,000. The bank's delineated AA consists of 32 CTs of which zero are located in low-income, six are moderate-income, 20 are middle-income, five are upper-income, and one unidentified CT. The AA meets the requirement of the regulation and does not arbitrarily exclude low- or moderate-income geographies.

Based on FDIC Deposit Market Share data as of June 30, 2021, TNB had a 3 percent deposit market share in the AA and ranked 12<sup>th</sup> out of 26 financial institutions doing business in the AA. Deposits of \$199.9 million accounted for 1.4 percent of the bank's total deposits. Primary competitors include Regions Bank with nine offices; Centennial Bank with five offices; Wells Fargo with six offices; BBVA USA, a bank now acquired by PNC Financial Services with five offices; and PNC Bank with seven offices.

TNB provides a full range of loan and deposit products and services in the AA. TNB operates four branches in the AA, of which none are in a low-income CT, one is located in a moderate-income CT, one in a middle-income CT, and two in upper-income CTs. TNB has four deposit taking ATMs in the AA, of which one is in a moderate-income CT, one in a middle-income CT, and two in upper-income CTs.

### ***Employment Factors***

According to the U.S. Bureau of Labor and Statistics, as of December 2021, the unemployment rate in the Daphne-Fairhope-Foley MSA was 2.6 percent, a decrease from 3.2 percent in January 2019. The National unemployment rate as of December 2021 was 3.9 percent and 2.7 percent for the state of Alabama.

### ***Housing Characteristics***

According to the 2015 ACS data, there are 106,422 total housing units in the AA, consisting of 49.8 percent owner-occupied, and 19.8 percent rental occupied units. There are no owner-occupied or rental occupied units in low-income CTs, and 14.9 percent of owner-occupied units and 21.8 percent of rental occupied units are in moderate-income CTs.

The MSA is a high cost housing area, limiting access to affordable home ownership among LMI borrowers. According to Realtor.com data, the median housing value in the AA was \$489,900 in 2021, representing a 48.9 percent increase from the median housing value of \$329,000 at the beginning of the evaluation period in 2019. Assuming a 30-year mortgage with a five percent interest rate, and not accounting for down payment, homeowners' insurance, real estate taxes, or any additional monthly expenses, a low-income borrower making \$42,750 per year (or less than 50 percent of the 2021 FFIEC adjusted median family income in the AA) could afford a \$199,088 mortgage with a payment of \$1,069 per month. A moderate-income borrower making \$68,400 per year (or less than 80 percent of the 2021 FFIEC adjusted median family income in the AA) could afford a \$318,542 mortgage with a payment of \$1,710 per month. This illustrates that LMI borrowers would be challenged to qualify for a mortgage loan in the AA with an estimated payment of \$2,630, according to Realtor.com data.

### ***Economic Conditions***

According to Moody's Analytics, the AA has seen strong net migration and well above-average population growth. However, the AA suffers from insufficient infrastructure to support the rising population and low-wage job industries dominate the job mix. Daphne-Fairhope-Foley's economy is regaining ground as job growth is now outpacing that of the state and national averages. Nearly all industries have benefited from the influx of new workers, particularly consumer services and healthcare. Top employers in the AA are Walmart Inc, Infirmity Health, Collins Aerospace, Columbia Southern University, and South Baldwin Regional Medical Center.

We utilized one community contact during the evaluation period to an organization that coordinates educational efforts within multiple counties in the state of Alabama. Within each county, a coordinator is responsible for coordinating educational efforts within specific counties. The contact indicated Baldwin County is the fastest growing county in the state. The impact of COVID-19 has been a trickledown effect of a lower number of available workers has resulted in a worker shortage. Identified needs for institutions is to actively recruit small loans to businesses and business development loans.

### **Scope of Evaluation in Alabama**

The Daphne-Fairhope-Foley MSA was selected for analysis using full-scope procedures because it has the third largest percentage of loans (17.1 percent) within the state and was an AA throughout the evaluation period. We completed limited-scope reviews of Auburn-Opelika MSA, Birmingham-Hoover MSA, Huntsville MSA, Mobile MSA, Montgomery MSA, AL Non-MSA, and Tuscaloosa MSA.

Ratings are primarily based on results of the full-scope area. Please see appendix A for more information.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN ALABAMA

### LENDING TEST

The bank's performance under the Lending Test in Alabama is rated Low Satisfactory.

#### Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the Daphne-Fairhope-Foley MSA is adequate. The lack of CD loans had a negative impact on the overall lending test performance.

#### Lending Activity

Lending levels reflects excellent responsiveness to AA credit needs considering the number and dollar amount of home mortgage, small business, and small farm loans relative to the bank's lending capacity based on deposits, competition, and market presence.

Number of Loans*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State Loans	%State Deposits
<b>Full Scope:</b>							
Daphne-Fairhope- Foley MSA	2,384	1,004	27	0	3,415	16.9%	9.2%
<b>Limited Scope:</b>							
Auburn-Opelika MSA	548	296	19	5	868	4.3%	5.5%
Birmingham-Hoover MSA	2,617	569	26	6	3,218	15.9%	9.0%
Huntsville MSA	1,193	309	30	4	1,536	7.6%	8.8%
Mobile MSA	2,699	1,310	23	6	4,038	20.0%	22.8%
Montgomery MSA	3,087	874	52	0	4,013	19.9%	15.4%
AL Non MSA	686	1,538	207	5	2,436	12.1%	28.5%
Tuscaloosa MSA	408	248	10	0	666	3.3%	0.8%

\*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

Dollar Volume of Loans*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State* Loans	%State Deposits
<b>Full Scope:</b>							
Daphne-Fairhope- Foley MSA	\$602,868	\$105,199	\$3,100	\$0	\$711,167	19.9%	9.2%
<b>Limited Scope:</b>							
Auburn-Opelika MSA	\$127,470	\$21,749	\$2,126	\$9,729	\$161,074	4.5%	5.5%
Birmingham-Hoover MSA	\$663,938	\$42,508	\$3,199	\$6,671	\$716,316	20.0%	9.0%
Huntsville MSA	\$266,810	\$32,928	\$2,232	\$4,507	\$306,477	8.6%	8.8%
Mobile MSA	\$522,800	\$134,079	\$2,191	\$17,665	\$676,735	18.9%	22.8%
Montgomery MSA	\$625,031	\$74,350	\$2,678	\$0	\$702,059	19.6%	15.4%
AL Non MSA	\$66,200	\$101,341	\$21,891	\$1,854	\$191,286	5.3%	28.5%
Tuscaloosa MSA	\$93,598	\$18,690	\$1,845	\$0	\$114,133	3.2%	0.8%

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\*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

### **Daphne-Fairhope-Foley MSA**

The following factors support the bank's excellent responsiveness to community credit needs:

According to the June 30, 2021, FDIC Summary of Deposits Report, TNB had a total of \$199.9 million in deposits in the Daphne-Fairhope-Foley MSA. TNB is ranked 12<sup>th</sup> in the deposit market with a deposit market share of 3.0 percent in a market of 26 deposit taking institutions. TNB's deposits account for 1.4 percent of the bank's total deposits. The bank's deposit market share ranking was in the top 46.2 percentile in the AA.

Residential lending competition is significant in the Daphne-Fairhope-Foley MSA with 573 competitors in the market. According to the 2021 peer mortgage data, TNB ranked fourth in mortgage market share with a 4.4 percent market share. TNB's mortgage market share of 4.4 percent exceeds the bank's 3.0 percent deposit market share. The bank's market share of mortgage loan originations ranked in the top one percentile in the AA. The bank's market share ranking of mortgage loans was stronger than TNB's deposit market share.

Competition in small business lending is also significant in the MSA with 113 lenders. According to the 2021 peer small business data, TNB ranked fifth with a 4.0 percent market share. The bank's small business market share of 4.0 percent exceeds the deposit market share of 3.0 percent. The bank's small business loan origination market share ranked in the top 4.4 percent of all small business lenders. The bank's market share ranking of small business loan originations was stronger than TNB's deposit market share ranking.

According to the 2021 small farm peer data, TNB ranked second with a small farm market share of 12.8 percent in a market of 23 lenders. The small farm market share of 4.0 percent exceeds the deposit market share of 3.0 percent. The bank's market share ranked in the top 8.7 percent of all small farm lenders. TNB's market share ranking of small farm loan originations was stronger than TNB's deposit market share ranking.

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

The bank exhibits an adequate geographic distribution of loans in its AA.

#### ***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.

Based on the data in the tables and the following considerations, the bank's overall geographic distribution of home mortgage loan originations and purchases for this evaluation is adequate. The following information was taken into consideration when determining this rating.

There are 573 lenders in the AA. Residential mortgage lending is challenging in the Daphne-Fairhope-

Foley MSA. The opportunity to make residential mortgage loans in LMI tracts is limited because the supply of owner-occupied homes in moderate-income tracts is relatively limited. There are no low-income tracts, and the moderate-income tracts represent 18.8 percent of the total owner-occupied housing units in the AA.

There were no low-income geographies in the Daphne-Fairhope-Foley MSA. The proportion of bank loans in moderate-income tracts was below both the proportion of owner-occupied housing units and the aggregate distribution of lending.

### ***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.

Based on the data in the tables and the following considerations, the bank's overall geographic distribution of small loans to business for this evaluation is adequate. The following information was taken into consideration when determining this rating.

Lenders in the AA, including TNB, are challenged by strong competition in the AA with 113 lenders, no low-income tracts within the AA, and only 18.8 percent of businesses in moderate-income tracts.

There are no low-income tracts. The bank's lending in moderate-income tracts is below both the proportion of small businesses and the aggregate distribution of lending in those tracts.

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

Refer to Table S 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 farms.

Based on the data in the tables and the following considerations, the bank's overall geographic distribution of small loans to farms for this evaluation is adequate. The following information was taken into consideration when determining this rating.

The AA has a total of 592 farms in the market with 19.8 percent of those farms in moderate-income tracts and most of the farms (80.3 percent) in middle-and upper-income tracts.

There were no farms in low-income geographies. The small number of farms in a market with 23 lenders makes it challenging for the bank to make loans. The bank's level of small loans to farms was well below both the proportion of small farms and the aggregate distribution in moderate-income geographies.

Small farm lending is not a business focus. The bank's lending performance is considered within the context of its business focus and the number of farms within the AA has minimal impact on the overall lending performance conclusion.

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

Examiners reviewed summary reports and maps and analyzed home mortgage and small business lending activity to identify any gaps in the geographic distribution of loans in all full-scope AAs. Examiners did not identify any unexplained conspicuous gaps in any of the areas they reviewed.

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

The bank exhibits a good distribution of loans among individuals of different income levels and business and farms of different sizes, given the product lines offered by the bank.

#### ***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.

Based on the data in the tables and the following considerations, the bank's overall borrower distribution of home mortgage loan originations and purchases for this evaluation is good. The following information was taken into consideration when determining this rating.

The competition for lending is strong with 573 home mortgage lenders in the AA.

The proportions of loans to low-income borrowers were below the proportion and below the aggregate distribution of loans to low-income families in the AA, respectively. The proportions of the bank's mortgage loans to moderate-income families were near to the percent of moderate-income families and exceeded the aggregate distribution of mortgage loans to those families.

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

When determining the conclusion in this AA, we considered the fact that 20.9 percent of the bank's small loans to businesses were PPP loans that did not have revenue information. Based on the data in the tables and considering the performance context factors discussed above, the overall borrower distribution of small loans to businesses was adequate. Consideration of the bank's PPP lending had a positive effect on our assessment of the bank's Distribution of Loans by Income Level of the Borrower.

The bank did not collect or consider the gross annual revenue when underwriting 59.2 percent of its small loans to businesses. Based on those businesses with known revenues, the bank's percentage of small loans to businesses with revenue of \$1 million or less was well below the proportion of those businesses in the AA, but below the aggregate distribution of loans.

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

Refer to Table T 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.

Based on the data in the tables and the following considerations, the bank's overall geographic distribution of small loans to farms for this evaluation is good. The following information was taken into consideration when determining this rating.

The bank's proportion of loans to small farms was below the proportion of small farms and exceeded the aggregate distribution of lending to small farms in the AA.

Small farm lending is not a business focus for the bank. The bank's lending performance is considered within the context of its business focus and has minimal impact on the overall lending performance conclusion.

### **Community Development Lending**

The bank has made few, if any, CD loans.

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

### **Daphne-Fairhope-Foley MSA**

The bank did not originate any CD loans during the evaluation period. The lack of CD loans had a negative impact on the bank's lending test performance.

### **Product Innovation and Flexibility**

The bank makes little use of innovative and/or flexible lending practices in order to serve AA credit needs. TNB supported affordable housing through participation in down payment assistance and closing costs credits. During the evaluation period, through the Home Advantage PLUS program, TNB made \$525,000 in down payment assistance and \$164,000 in closing cost credits. For a description of these programs, see the "Product Innovation and Flexibility" section of the Overall Description of Bank.

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

Based on limited-scope reviews, the bank's performance under the Lending Test in the Auburn-Opelika MSA, Birmingham-Hoover MSA, and AL Non MSA is stronger than the bank's performance in the full-scope area. The performance is stronger due to stronger geographic and borrower distribution. The bank's performance in the Huntsville MSA, Mobile MSA, Montgomery MSA, and Tuscaloosa MSA is also stronger than the bank's overall performance under the Lending Test in the full-scope area due to CD loan activities. The performance in the AAs subject to limited-scope reviews have a positive impact on the overall Lending Test conclusions.

Refer to Tables O through V in the state of Alabama section of appendix D for the facts and data that support these conclusions.

## **INVESTMENT TEST**

The bank's performance under the Investment Test in Alabama is rated High Satisfactory

### **Conclusions for Area Receiving a Full-Scope Review**

Based on a full-scope review, the bank's performance in the Daphne-Fairhope-Foley MSA is good.

The bank has a significant level of qualified CD investments and grants, occasionally in a leadership position, particularly those that are not routinely provided by private investors.

The bank exhibits good responsiveness to credit and community economic development needs. The bank rarely makes use of innovative and/or complex investments to support CD initiatives.

### Number and Amount of Qualified Investments

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Full Scope:										
Daphne-Fairhope-Foley MSA	6	\$12,005	26	\$2,753	32	4.2	\$ 14,758	28.6	0	\$0
Limited Scope:										
Auburn-Opelika MSA	0	\$0	20	\$529	20	2.7	\$ 529	1.0	0	\$0
Birmingham-Hoover MSA	0	\$0	328	\$2,609	328	43.4	\$ 2,609	5.1	0	\$0
Huntsville, MSA	0	\$0	45	\$3,704	45	6.00	\$ 3,704	7.2	1	\$1,871
Mobile MSA	2	\$8,816	67	\$3,401	69	9.1	\$ 12,217	23.7	1	\$1,871
Montgomery MSA	1	\$664	155	\$4,293	156	20.7	\$ 4,957	9.6	1	\$485
AL Non MSA	1	\$515	83	\$570	84	11.1	\$ 1,085	2.1	0	\$0
Tuscaloosa MSA	0	\$0	19	\$739	19	2.5	\$ 739	1.4	0	\$0
Statewide	2	\$11,000	0	\$0	2	0.3	\$ 11,000	21.3	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.

### Daphne-Fairhope-Foley MSA

The bank exhibited excellent performance in the AA. TNB had 32 qualified CD investments and donations totaling \$14.7 million, which is equivalent to 65.3 percent of allocated tier 1 capital. Throughout the evaluation period, TNB made 26 CD investments and grants totaling \$2.7 million. Additionally, the AA benefitted from the ongoing impact of six prior period CD investments with an outstanding balance of \$12 million.

Examples of CD investments and donations include:



- The bank purchased a \$466,815 mortgage-backed security (MBS) that benefited LMI individuals and geographies.
- TNB continues to hold a \$2.6 million investment in a CDFI to fund the construction of a travel center in rural Alabama. The facility offered expanded goods and services to the low-income community of Baldwin County and will create over 200 jobs to LMI individuals.
- TNB made three donations totaling \$15,000 to a local food pantry to provide funding for food distribution to LMI individuals.

**Statewide**

The bank has two prior investments with outstanding balances totaling \$11 million outside of its AAs in the broader statewide area. These investments consist of two CDFI funds to promote revitalization and stabilization within the applicable local communities. Statewide CD investments had a positive impact on the Investment Test rating in Alabama.

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

Based on limited-scope review, the bank’s performance under the Investment Test in the Birmingham-Hoover MSA, Huntsville MSA, Mobile MSA, Montgomery MSA, and Tuscaloosa MSA was consistent with the bank’s overall performance under the Investment Test in the full-scope AA. The bank’s performance under the Auburn-Opelika MSA and AL Non MSA was weaker than the bank’s overall performance under the Investment Test in the full-scope AA. Weaker performance was due to a smaller percentage of CD investments and grants compared to allocated tier 1 capital. Performance in limited-scope AAs had a minimal impact on the bank’s overall Investment Test rating.

**SERVICE TEST**

The bank’s performance under the Service Test in Alabama is rated High Satisfactory.

**Conclusions for Area Receiving a Full-Scope Review**

Based on a full-scope review, the bank’s performance in the Daphne-Fairhope-Foley MSA is good.

**Retail Banking Services**

Service delivery systems are readily accessible to geographies and individuals of different income levels in the bank’s AA.

Distribution of Branch Delivery System											
Assessment Area	Deposits	Branches						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				% of Population within Each Geography *			
				Low	Mod	Mid	Upper	Low	Mod	Mid	Upper
<b>Full Scope:</b>											

Daphne-Fairhope-Foley MSA	9.2	4	10.0	0.0	25.0	25.0	50	0.0	16.4	64.6	19.0
<b>Limited Scope:</b>											
Auburn-Opelika MSA	5.5	2	5.0	0.0	50.0	50.0	0.0	2.4	21.4	62.7	11.3
Birmingham-Hoover MSA	9.0	4	12.5	0.0	50.0	25.0	25.0	10.7	22.6	27.5	38.6
Huntsville MSA	8.8	6	15.0	0.0	16.7	33.3	50.0	8.6	26.7	32.4	32.4
Mobile MSA	22.8	6	15.0	16.7	0.0	33.3	50.0	9.3	18.2	36.5	35.8
Montgomery MSA	15.5	7	17.5	0.0	0.0	85.7	14.3	9.5	21.7	36.1	32.5
AL Non MSA	28.5	11	22.5	9.1	27.3	45.4	18.2	5.5	26.9	54.0	13.7
Tuscaloosa MSA	0.1	1	2.5	0.0	100.0	0.0	0.0	1.8	18.8	39.4	35.1

\*Auburn-Opelika MSA N/A 2.2; Birmingham-Hoover MSA N/A 0.5; Mobile MSA N/A 0.2; Montgomery MSA N/A 0.1; Tuscaloosa MSA N/A 4.9

### Daphne-Fairhope-Foley MSA

The bank has four branches within the Daphne-Fairhope-Foley MSA. No branches in low-income CT, and one branch in a moderate-income CT. There are no branches in low-income geographies, which is consistent with the geography. In moderate-income geographies, the percentage of the bank’s branches exceeds the percentage of population living in those geographies. The bank has four deposit-taking ATMs, one in a moderate-income CT. The percentage of ATMs in LMI CTs exceeds the level of population in the LMI areas. ATM distribution is consistent with the bank’s branch distribution.

Distribution of Branch Openings/Closings						
Assessment Area	# of Branch Openings	# of Branch Closings	Branch Openings/Closings			
			Net change in Location of Branches (+ or -)			
			Low	Mod	Mid	Upp
<b>Full Scope:</b>						
Daphne-Fairhope-Foley MSA	0	0	0	0	0	0
<b>Limited Scope:</b>						
Auburn-Opelika MSA	0	0	0	0	0	0
Birmingham-Hoover MSA	1	1	0	+1	0	-1
Huntsville MSA	0	0	0	0	0	0
Mobile MSA	0	0	0	0	0	0
Montgomery MSA	0	0	0	0	0	0
AL Non MSA	0	2	-1	0	-1	0
Tuscaloosa MSA	0	0	0	0	0	0

### Daphne-Fairhope-Foley MSA

To the extent changes have been made, the bank’s opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in LMI geographies and/or to LMI

individuals in the Daphne-Fairhope-Foley MSA. The bank did not open or closed any branches within the AA during the evaluation period.

Services, including where appropriate, business hours do not vary in a way that inconveniences its AA, particularly LMI geographies and/or individuals. All branches operate during traditional banking hours of 9:00 am to 5:00 pm Monday through Friday.

### **Community Development Services**

The bank provides a relatively high level of CD services.

### **Conclusions for Area Receiving a Full-Scope Review**

TNB provides a relatively high level of CD services in the Daphne-Fairhope-Foley MSA.

CD services were effective and responsive in helping the bank address community needs. The bank conducted or supported a good level of CD services, consistent with its capacity and expertise to conduct specific activities.

TNB employees from various lines of business provided technical assistance to five different CD organizations totaling 154 hours during the evaluation period and the COVID 19 pandemic. TNB staff served on three boards and committees for organizations that provide community services targeted to LMI individuals.

Examples of some of these services:

- An employee served as a member on the Board of Directors of an organization that serves to empower youth to realize their full potential as productive, caring, responsible citizens where a majority of the young people served are from low-income families.
- Several employees served as volunteers in several high schools and middle schools providing financial education services about income, careers, budgeting, and credit scores. A majority of the students at the high schools and middle schools received free or reduced lunches.
- One employee served as a volunteer in an organization whose mission is strengthening LMI families through education, training, and support. The employee taught 18 participants about short- and long-term goals, budgeting strategies, and creating an emergency savings account.

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

Based on limited scope reviews, the bank's performance under the Service Test in the Mobile MSA and the AL Non MSA is consistent with the bank's overall performance under the Service Test in the full-scope area. Performance under the Service Test in the Auburn-Opelika MSA, Birmingham- Hoover MSA, Huntsville MSA, Montgomery MSA, and Tuscaloosa MSA is weaker than the bank's overall performance in the full-scope area. Weaker performance is due to branch distribution in the AAs. Performance in the limited-scope AAs had a minimal impact on the Services Test rating.

## State Rating

### State of Florida

**CRA rating for the State of Florida<sup>3</sup>:** Satisfactory

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

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

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

The major factors that support this rating include:

- Lending levels reflect excellent responsiveness to AA credit needs.
- The bank exhibits a good geographic distribution of loans in its AA.
- The bank exhibits a good distribution of loans among individuals of different income levels and businesses.
- The bank has an adequate level of qualified CD investments and grants. CD investments were responsive to affordable housing needs.
- Service delivery systems are unreasonably inaccessible to portions of its AAs, particularly to LMI geographies or to LMI individuals. The bank provides a good level of CD services that had a positive impact on the Service Test rating.

### Description of Institution's Operations in Florida

TNB has three AAs within the state of Florida. These AAs are comprised of Crestview-Fort Walton Beach-Destin MSA, Panama City MSA, and Pensacola-Ferry Pass-Brent MSA. The AAs consists of whole MSAs or counties.

The bank made 10.1 percent of its loan originations and purchases compared to total bank loans during the evaluation period in the state. Deposits in the state account for 8.8 percent of total bank deposits.

#### Pensacola-Ferry Pass-Brent MSA

Table A – Demographic Information of the Assessment Area						
Assessment Area: Pensacola-Ferry Pass-Brent MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	72	5.6	26.4	48.6	18.1	1.4
Population by Geography	306,327	3.9	24.6	53.8	17.7	0.0
Housing Units by Geography	138,178	3.8	26.0	49.4	20.8	0.0

<sup>3</sup> This rating reflects performance within the multistate metropolitan statistical area. The statewide evaluations do not reflect performance in the parts of those states contained within the multistate metropolitan statistical area.

Owner-Occupied Units by Geography	69,678	2.6	20.4	53.8	23.1	0.0
Occupied Rental Units by Geography	43,982	5.0	36.5	47.5	11.1	0.0
Vacant Units by Geography	24,518	4.6	23.2	40.3	31.9	0.0
Businesses by Geography	36,263	3.3	26.5	50.5	19.7	0.0
Farms by Geography	1,133	3.4	19.9	59.2	17.5	0.0
Family Distribution by Income Level	68,430	20.3	20.5	22.7	36.5	0.0
Household Distribution by Income Level	113,660	24.9	19.2	19.8	36.2	0.0
Median Family Income MSA - 37860 Pensacola-Ferry Pass-Brent, FL MSA	\$60,705	Median Housing Value				\$129,735
		Median Gross Rent				\$917
		Families Below Poverty Level				10.7%
<i>Source: 2015 ACS and 2020 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The Pensacola-Ferry Pass-Brent MSA is comprised of Escambia County. The AA meets the requirement of the regulation and does not arbitrarily exclude low- or moderate-income geographies.

According to 2015 ACS data, the population of the Pensacola-Ferry Pass-Brent MSA is over 306,000. The bank's delineated AA consists of 72 CTs of which four are low-income, 19 are moderate-income, 35 are middle-income, 13 are upper-income, and one is unidentified. The AA meets the requirement of the regulation and does not arbitrarily exclude low- or moderate-income geographies.

Based on FDIC Deposit Market Share data as of June 30, 2021, TNB had a 0.6 percent deposit market share in the AA and is ranked 17<sup>th</sup> out of 19 financial institutions doing business in the AA. Deposits of \$37.4 million accounted for 0.3 percent of the bank's total deposits. Primary competitors include Truist Bank with three offices; Regions Bank with eight offices; Synovus Bank, with five offices; Bank of America with four offices; and Hancock Whitney Bank with four offices.

TNB provides a full range of loan and deposit products and services in the AA. TNB operates one branch in the AA located in a middle-income CT. TNB has two deposits taking ITMs in the AA, both located in middle-income CTs.

### ***Employment Factors***

According to the U.S. Bureau of Labor and Statistics, as of December 2021, the unemployment rate in the Pensacola-Ferry Pass-Brent MSA was 3.4 percent, unchanged from 3.4 percent in January 2019. The National Unemployment rate as of December 2021 was 3.9 percent and 3.6 percent for the state of Florida.

### ***Housing Characteristics***

According to the 2015 ACS data, 50.4 percent of the total housing units in the AA were owner-occupied and 31.8 percent were rental occupied units with 2.6 percent of owner-occupied units and 5.0 percent of rental occupied units located in low-income CTs. Also, 20.4 percent of owner-occupied units and 36.5 percent of rental occupied units were in moderate-income CTs.

The MSA is a high cost housing area, limiting access to affordable home ownership among LMI borrowers. According to Realtor.com data, the median housing value in the AA was \$369,900 in 2021,

representing a 42.3 percent increase from the median housing value of \$260,018 at the beginning of the evaluation period in 2019. Assuming a 30-year mortgage with a five percent interest rate, and not accounting for down payment, homeowners' insurance, real estate taxes, or any additional monthly expenses, a low-income borrower making \$39,750 per year (or less than 50 percent of the 2021 FFIEC adjusted median family income in the AA) could afford a \$185,117 mortgage with a payment of \$994 per month. A moderate-income borrower making \$63,600 per year (or less than 80 percent of the 2021 FFIEC adjusted median family income in the AA) could afford a \$296,188 mortgage with a payment of \$1,590 per month. This illustrates that LMI borrowers would be challenged to qualify for a mortgage loan in the AA with an estimated payment of \$1,986.

### ***Economic Conditions***

According to Moody's Analytics, the AA has seen strong net migration and population growth. However, retirees tend to be less affluent than those in other Florida metro areas. The MSA's labor market continues to grow but at a slower pace than Florida's labor market. Previously, job growth has been primarily driven by leisure/hospitality as the MSA benefitted from a strong fall tourism season. Toward the end of 2021, job gains in the industry outpaced those of the state. Overall, metro area growth was tempered; however, by underperformance in other key industries such as healthcare, professional/business services, and retail. Additionally, per capita income is below average, and most new jobs are low- or medium-paying. Top employers in the AA are Navy Federal Credit Union, Baptist Health Care, Sacred Heart Health System, Gulf Power Co, and Ascend Performance Materials.

We utilized one community contact during the evaluation period to a financial services department that is responsible for planning and controlling the use of the city's financial resources. The contact stated that the downtown area and distressed neighborhoods nearby are certified redevelopment areas. General banking needs are SBA loans, construction loans, and affordable housing.

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

The Pensacola-Ferry Pass-Brent MSA was selected for analysis using full-scope procedures because the AA had not received a full-scope review in the previous two evaluations.

Ratings are primarily based on results of the full-scope area. Please see appendix A for more information.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN FLORIDA**

### **LENDING TEST**

The bank's performance under the Lending Test in Florida is rated Low Satisfactory. The lack of CD loans had a negative impact on the bank's lending test performance.

### **Conclusions for Area Receiving a Full-Scope Review**

Based on a full-scope review, the bank's performance in the Pensacola-Ferry Pass-Brent MSA is good. The bank did not originate a sufficient number of small farm loans for a meaningful analysis.

## Lending Activity

Lending levels reflects good responsiveness to AA credit needs considering the number and dollar amount of home mortgage, small business, and small farm loans relative to the bank's lending capacity based on deposits, competition, and market presence.

Number of Loans*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State Loans	%State Deposits
<b>Full Scope:</b>							
Pensacola-Ferry Pass- Brent MSA	186	253	8	0	447	7.6%	2.9%
<b>Limited Scope:</b>							
Crestview-Fort Walton Beach-Destin MSA	897	1,237	14	2	2,150	36.4%	49.4%
Panama City MSA	2,219	1,067	15	8	3,309	56.0%	47.7%

\*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

Dollar Volume of Loans*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State* Loans	%State Deposits
<b>Full Scope:</b>							
Pensacola-Ferry Pass-Brent MSA	\$51,798	\$32,171	\$1,812	\$0	\$85,781	8.7%	2.9%
<b>Limited Scope:</b>							
Crestview-Fort Walton Beach-Destin MSA	\$274,788	\$96,694	\$1,858	\$79	\$373,419	37.9%	49.4%
Panama City MSA	\$398,334	\$99,866	\$1,388	\$27,157	\$526,745	53.4%	47.7%

\*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

### Pensacola-Ferry Pass-Brent MSA

The following factors support the bank's good responsiveness to community credit needs: According to the June 30, 2021, FDIC Summary of Deposits Report, TNB had a total of \$37.4 million in deposits in the Pensacola-Ferry Pass-Brent MSA. TNB is ranked 17<sup>th</sup> in the market with a deposit market share of 0.6 percent in a market of 19 deposit taking institutions. This is a small market with the primary competitors being regional and large banks. TNB's deposits account for 0.3 percent of the bank's total deposits. The bank's deposit market share ranking was in the top 89.5 percentile in the AA.

Residential lending competition is very strong in the Pensacola-Ferry Pass-Brent MSA with 545 lenders in the market. According to the 2021 peer mortgage data, TNB ranked 50<sup>th</sup> in mortgage market share with a 0.5 percent market share. TNB's mortgage market share of 0.5 percent is in line with the bank's 0.6 percent deposit market share. The bank's market share of mortgage loan originations ranked in the top 9.2 percentile in the AA. The bank's home mortgage lending rank, compared to total number of lenders, is stronger than the deposit market share rank relative to total number of depository institutions.

Competition in small business lending is also significant in the MSA with 109 lenders. According to the 2021 peer small business data, TNB ranked 23<sup>rd</sup> with 1.1 percent market share. TNB's small business

market share of 1.1 percent is greater than their deposit market share of 0.6 percent. The bank's small business loan origination market share ranked in the top 21.1 percent of all small business lenders. TNB's small business loan origination market share ranking, relative to the number of small business lenders in the market was stronger than the bank's deposit market share rank relative to total number of depository institutions.

The bank did not generate a sufficient number of small farm loans to perform a meaningful analysis.

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

The bank exhibits a good geographic distribution of loans in its AA.

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

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

Based on the data in the tables and the following considerations, the bank's overall geographic distribution of home mortgage loan originations and purchases for this evaluation is good. The following information was taken into consideration when determining this rating.

The bank and other home mortgage lenders are challenged by strong competition in the AA with 545 lenders.

The bank did not originate any loans in low-income CTs in a market with only 2.6 percent owner occupied units and 0.8 percent aggregate. The proportion of bank loans in moderate-income tracts was below the proportion of owner-occupied housing units and near to the aggregate distribution of lending.

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

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

Based on the data in the tables and the following considerations, the bank's overall geographic distribution of small loans to business for this evaluation is good. The following information was taken into consideration when determining this rating.

Lenders in the AA, including TNB, are challenged by strong competition in the AA (109 lenders) and a low percentage of small businesses in low-income tracts within the AA (3.3 percent).

TNB's level of small loans to businesses in low-income tracts is below both the proportion of small businesses and the aggregate distribution of lending in those tracts. The bank's lending in moderate-income tracts exceeded both the proportion of small businesses and the aggregate distribution of lending in those tracts.

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



Examiners reviewed summary reports and maps and analyzed home mortgage and small business lending activity to identify any gaps in the geographic distribution of loans in all full-scope AAs. Examiners did not identify any unexplained conspicuous gaps in any of the areas they reviewed.

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

The bank exhibits a good distribution of loans among individuals of different income levels and business and farms of different sizes, given the product lines offered by the bank.

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

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

Based on the data in the tables and the following considerations, the bank's overall borrower distribution of home mortgage loan originations and purchases for this evaluation is good. The following information was taken into consideration when determining this rating.

Competition for lending is strong with 545 home mortgage lenders in the AA.

The proportions of loans to low-income borrowers were well below the proportion and below the aggregate distribution of loans to low-income families in the AA, respectively. The proportions of the bank's mortgage loans were near to both the proportion of moderate-income families and the aggregate distribution of mortgage loans to those families.

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

Refer to Table R in the state of Florida 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.

When determining the conclusion in this AA, we considered the fact that 22.5 percent of the bank's small loans to businesses were PPP loans that did not have revenue information. Based on the data in the tables and considering the performance context factors discussed above, the overall borrower distribution of small loans to businesses was adequate. Consideration of the bank's PPP lending had a positive effect on our assessment of the bank's Distribution of Loans by Income Level of the Borrower.

The bank did not collect or consider the gross annual revenue when underwriting 64.4 percent of its small loans to businesses. Based on those businesses with known revenues, the bank's percentage of small loans to businesses with revenue of \$1 million or less was well below the proportion of those businesses in the AA, but below the aggregate distribution of loans.

### **Community Development Lending**

The bank has made few if any CD loans.

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

**Pensacola-Ferry Pass-Brent MSA**

The bank did not originate any CD loans during the evaluation period. The lack of CD loans had a negative impact on the bank’s lending test performance.

**Product Innovation and Flexibility**

The bank makes no use of innovative and/or flexible lending practices in order to serve AA credit needs. During the evaluation period, TNB did not originate any innovative or flexible lending programs.

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

Based on limited-scope reviews, the bank’s performance in the Panama City MSA is stronger than the bank’s performance in the full-scope area. The performance is stronger due to stronger geographic and borrower distribution. The bank’s performance under the Lending Test in the Crestview-Fort Walton Beach-Destin MSA is also stronger than the bank’s overall performance under the Lending Test in the full-scope area. The performance in AAs subject to limited-scope reviews has a positive impact on the overall Lending Test conclusions.

Refer to Tables O through V in the state of Florida section of appendix D for the facts and data that support these conclusions.

**INVESTMENT TEST**

The bank’s performance under the Investment Test in Florida is rated Low Satisfactory.

**Conclusions for Area Receiving a Full-Scope Review**

Based on a full-scope review, the bank’s performance in the Pensacola-Ferry Pass-Brent MSA is poor but is adequate when considering there is only one branch in the AA, performance in the limited-scope AAs, and the Statewide investment.

The bank has a poor level of qualified CD investments and grants, but is not in a leadership position, particularly those that are not routinely provided by private investors. Performance in limited scope AAs had a positive impact on the overall Investment Test rating.

The bank exhibits adequate responsiveness to credit and community economic development needs. The bank rarely uses innovative and/or complex investments to support CD initiatives.

**Number and Amount of Qualified Investments**

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)

Full Scope:										
Pensacola-Ferry Pass-Brent MSA	0	\$0	9	\$15	9	10.8	\$15	0.1	0	\$0
Limited Scope:										
Crestview-Fort Walton Beach- Destin MSA	0	\$0	29	\$4,058	29	34.9	\$4,058	21.6	0	\$0
Panama City MSA	3	\$913	41	\$4,784	44	53.0	\$5,697	30.4	1	\$1,240
Statewide	0	\$0	1	\$9,000	1	1.2	\$9,000	47.9	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.

### **Pensacola-Ferry Pass-Brent MSA**

The bank exhibits poor performance in the AA. TNB had nine qualified CD donations throughout the evaluation period totaling \$15,000, which is equivalent to 0.4 percent of allocated tier 1 capital.

Examples of CD donations include:

- TNB made a \$5,000 donation to an organization that supports local food pantries. Funds were distributed to two food pantries located in the bank's primary AAs and funds were used for purchase of food for distribution to LMI individuals.
- TNB made a \$2,250 donation to an organization that provides services and supplies to LMI families to assist in providing diapers, formula, clothing, shoes, as well as personal hygiene products.
- TNB made a \$1,500 donation to a foundation that organized volunteers and funds to provide hot meals to communities after the impact of Hurricane Sally.

### **Statewide**

The bank made one current period investment totaling \$9 million outside its AAs in the broader statewide area. The investment was to a CDFI to fund the construction of a distribution center, creating over 300 jobs for LMI individuals. The Statewide CD investment had a positive impact on the Investment Test rating in Florida.

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

Based on limited-scope review, the bank's performance under the Investment Test in the Crestview-Fort Walton Beach-Destin MSA and Panama City MSA was stronger than the bank's overall performance under the Investment Test in the full-scope AA. Stronger performance was due to higher levels of investments as a percentage of allocated tier 1 capital. Performance in limited-scope AAs had a positive impact on the bank's overall Investment Test rating.

## **SERVICE TEST**

The bank's performance under the Service Test in Florida is rated Low Satisfactory.

### Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the Pensacola-Ferry Pass-Brent MSA is adequate considering performance context. We considered as the bank's performance context the bank's limited presence in the AA, the bank's low share of deposits relative to other financial institutions in the AA, and the high competition from state and regional financial institutions providing services in the AA. The bank's total deposits in this AA account for 2.9 percent of the bank's deposits in the state of Florida. CD services were adequate when considering the COVID 19 pandemic.

### Retail Banking Services

Delivery systems are unreasonably inaccessible to portions of the AA, particularly LMI geographies and/or LMI individuals.

Distribution of Branch Delivery System											
Assessment Area	Deposits % of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Branches				Population			
				Location of Branches by Income of Geographies (%)				% of Population within Each Geography			
				Low	Mod	Middle	Upper	Low	Mod	Middle	Upper
<b>Full Scope:</b>											
Pensacola-Ferry Pass-Brent MSA	2.9	1	6.7	0.0	0.0	100.0	0.0	3.9	24.6	53.8	17.7
<b>Limited Scope:</b>											
Panama City MSA	47.1	7	46.7	0.0	42.9	42.9	14.2	3.6	16.7	52.2	27.5
Crestview-Fort Walton Beach-Destin MSA	49.4	7	46.7	0.0	14.3	42.8	42.9	0.0	14.8	63.3	21.8

### Pensacola-Ferry Pass-Brent MSA

The bank has one branch within the Pensacola-Ferry Pass-Brent MSA located in a middle-income CT. The percentages of the bank's branch in LMI geographies are well below the percentages of population living in those geographies. The bank has two deposit-taking ATMs located in middle-income CTs in the AA. The percentage of ATMs in LMI CTs is significantly below the level of population in the LMI areas. ATM distribution is consistent with the bank's branch distribution.

### Pensacola-Ferry Pass-Brent MSA

The bank did not open or close any branches in the AA during the evaluation period.

Services, including where appropriate, business hours do not vary in a way that inconveniences its AA, particularly LMI geographies and/or individuals. Bank hours are of 9:00 am to 4:30 pm Monday through Friday at their only branch in the rating area.

### **Community Development Services**

The bank provides an adequate level of CD services.

### **Conclusions for Area Receiving a Full-Scope Review**

The bank provides an adequate level of CD services in the Pensacola-Ferry Pass-Brent MSA.

CD services were effective and responsive in helping the bank address community needs. The bank conducted or supported an adequate level of CD services, consistent with its capacity and expertise to conduct specific activities.

TNB's four employees from various lines of business provided technical assistance to four different CD organizations totaling 41.5 hours during the evaluation period and the COVID-19 pandemic. TNB staff served on two boards and committees for organizations that provide community services targeted to LMI individuals.

Examples of some of these services:

- An employee served as a member on the Board of Directors of an organization that supports neglected and vulnerable children in the Florida panhandle, many of which come from LMI families.
- An employee served as a volunteer community investment panelist for an organization that serves LMI individuals. She conducted site visits for partner agencies and deliberated with other panelists to review grants to determine allocations for partner agencies.

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

Based on limited-scope reviews, the bank's performance under the Service Test in the Crestview-Fort Walton Beach-Destin MSA is stronger than the bank's overall performance under the Service Test in the full-scope area. Stronger performance is due to a stronger branch distribution in LMI CTs. The bank's performance in the Panama City MSA is consistent with the bank's overall performance under the Service Test in the full-scope area. Performance in the limited-scope AAs had a positive impact on the Service Test rating.

## State Rating

**State of Mississippi**

**CRA rating for the State of Mississippi<sup>4</sup>:** Satisfactory

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

**The Investment Test is rated:** High Satisfactory

**The Service Test is rated:** Outstanding

The major factors that support this rating include:

- Lending levels reflect excellent responsiveness to AA credit needs.
- The bank exhibits a good geographic distribution of loans in its AA.
- The bank exhibits a good distribution of loans among individuals of different income levels and businesses.
- The bank has a good level of qualified CD investments and grants. CD investments were responsive to affordable housing needs.
- Services delivery systems are readily accessible to geographies and individuals of different income levels. CD services had a positive impact on the Service Test rating.

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

TNB has four AAs within the state of Mississippi. These AAs are comprised of Gulfport-Biloxi MSA, Hattiesburg MSA, Jackson MSA, and MS Non-MSA. The AAs consist of whole MSAs or counties.

The bank made 46.2 percent of its loan originations and purchases compared to total bank loans during the evaluation period in the state. Deposits in the state account for 64.3 percent of total bank deposits.

**MS Non MSA**

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: MS Non MSA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	120	9.2	24.2	42.5	23.3	0.8
Population by Geography	521,047	6.0	18.0	47.4	27.4	1.2
Housing Units by Geography	230,987	6.1	17.7	48.1	27.8	0.4
Owner-Occupied Units by Geography	124,128	3.4	14.7	52.1	29.8	0.0

<sup>4</sup> This rating reflects performance within the multistate metropolitan statistical area. The statewide evaluations do not reflect performance in the parts of those states contained within the multistate metropolitan statistical area.

Occupied Rental Units by Geography	67,949	10.5	22.4	41.0	25.4	0.8
Vacant Units by Geography	38,910	6.8	19.0	47.8	25.5	0.9
Businesses by Geography	32,271	5.9	17.9	46.0	29.7	0.5
Farms by Geography	1,438	3.3	18.5	51.0	26.9	0.3
Family Distribution by Income Level	125,059	24.3	15.7	16.7	43.3	0.0
Household Distribution by Income Level	192,077	26.8	15.1	15.0	43.1	0.0
Median Family Income Non-MSAs - MS	\$43,897	Median Housing Value				\$102,089
		Median Gross Rent				\$665
		Families Below Poverty Level				21.1%
<i>Source: 2015 ACS and 2020 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The Mississippi Non-MSA (MS Non MSA) is comprised of a South, Central, East, North, and West Non-MSAs. The South Non-MSA includes Amite, Marion, Pike, and Walthall Counties. The Central Non-MSA includes Smith County. The East Non-MSA includes Lowndes, Oktibbeha, Lauderdale, Neshoba, and Leake Counties. The North Non-MSA includes Alcorn, Lafayette, Itawamba, and Lee Counties. The West Non-MSA includes Leflore and Washington Counties.

According to 2015 ACS data, the population of Mississippi Non-MSA is over 629,000. The bank's delineated AA consists of 144 CTs of which 11 are low-income, 31 are moderate-income, 62 are middle-income, 38 are upper-income, and two are unidentified CT. The AA meets the requirement of the regulation and does not arbitrarily exclude LMI geographies.

Based on FDIC Deposit Market Share data as of June 30, 2021, TNB had a 14.4 percent deposit market share in the AA and is ranked second out of 44 financial institutions doing business in the AA. Deposits accounted for 15.6 percent of the bank's total deposits. Primary competitors include Regions Bank with 22 offices; Renasant Bank with nine offices; The Citizens National Bank of Meridian with 12 offices; BancorpSouth Bank with eight offices; and Cadence Bank with six offices.

TNB provides a full range of loan and deposit products and services in the state. TNB operates 36 branches in the AA, two are in low-income CTs, nine in moderate-income CTs, 15 in middle-income CTs, and 10 in upper-income CTs. TNB has 48 deposit-taking ATM/ITMs in the AA, three in low-income CTs, 12 in moderate-income CTs, 18 in middle-income CTs, and 15 in upper-income CTs.

According to the 2015 ACS data, 53.7 percent of the total housing units in the AA were owner-occupied, and 29.4 percent were rental occupied units. There were 2.7 percent of owner-occupied units and 8.9 percent of rental occupied units in low-income CTs and 12.8 percent of owner-occupied units and 21.1 percent of rental occupied units in moderate-income CTs.

Non-MSA analysis was performed on the most populated county in each non-MSA.

### South Non-MSA

#### ***Employment Factors***

According to the Mississippi Department of Employment Security, the unemployment rate in Pike County was 4.5 percent as of December 2021, an improvement from 6.9 percent as of January 2019. The unemployment rate spiked to 9.6 percent in August 2020 during the COVID 19 pandemic. According to the U.S. Bureau of Labor Statistics, the National Unemployment rate as of December 2021 was 3.9 percent and 4.3 percent for the state of Mississippi.

### ***Economic Conditions***

According to Data USA, the largest industries in Pike County are healthcare and social assistance, retail trade, and manufacturing. The highest paying industries are mining, quarrying, oil and gas extraction; agriculture, forestry, fishing and hunting; and transportation and warehousing.

We utilized one community contact during the evaluation period to a non-profit organization that provides regional economic development services to surrounding counties. The contact stated the last couple of years have been difficult due to the COVID-19 pandemic, but current economic conditions are slowly improving. The contact stated the primary credit need is commercial lending, particularly loans to establish new businesses or to expand businesses.

### Central Non-MSA

### ***Employment Factors***

According to the Mississippi Department of Employment Security, the unemployment rate in Smith County was 3.1 percent, an improvement from 5.6 percent as of January 2019. In August 2020, during the COVID 19 pandemic, the unemployment rate was 5.9 percent. According to the U.S. Bureau of Labor Statistics, the National Unemployment rate as of December 2021 was 3.9 percent and 4.3 percent for the state of Mississippi.

### ***Economic Conditions***

According to Data USA, the largest industries in Smith County are manufacturing, healthcare and social assistance, and educational services. The highest paying industries are transportation and warehousing, transportation utilities, and utilities.

We utilized a community contact during the evaluation period to a non-profit that offers one-on-one counseling assistance to help individuals start or expand a small business. The contact indicated small business and home mortgage lending are the primary credit needs. Small agricultural loans were in greater need several years ago, but that need has subsided.

### East Non-MSA

### ***Employment Factors***

According to the Mississippi Department of Employment Security, the unemployment rate in Lauderdale County was 3.6 percent as of December 2021, an improvement from 5.5 percent as of January 2019. According to the U.S. Bureau of Labor Statistics, the National Unemployment rate as of December 2021 was 3.9 percent and 4.3 percent for the state of Mississippi.

### ***Economic Conditions***



The largest industries in Lauderdale County are healthcare and social assistance, retail trade, and educational services. The highest paying industries are utilities; mining, quarrying, and oil and gas extraction; and transportation and warehousing.

We utilized a community contact during the evaluation period to an organization whose goal is to promote healthy development and growth in the community. The contact stated the general banking needs include investments into a more diverse economy to include industrial and manufacturing opportunities. The contact also stated that the community needs investment in the public school system to improve educational opportunities for K-12 students.

### North Non-MSA

#### ***Employment Factors***

According to the Mississippi Department of Employment Security, the unemployment rate in Lee County was 2.8 percent as of December 2021, an improvement from 4.4 percent as of January 2019. In March 2020, during the COVID 19 pandemic, the unemployment rate was 3.9 percent. According to the U.S. Bureau of Labor Statistics, the National Unemployment rate as of December 2021 was 3.9 percent and 4.3 percent for the state of Mississippi.

#### ***Economic Conditions***

According to Data USA, the largest industries in Lee County are manufacturing, healthcare and social assistance, and retail trade. The highest paying industries are professional, scientific, and technical services; mining, quarrying, and oil and gas extraction; and utilities.

We utilized a community contact during the evaluation period to an economic development foundation. The contact stated the general banking and credit needs include micro small business lending and affordable homes due to high real estate prices. The contact also serves on a local community advisory committee and noted there is little direct access to capital for startup companies or businesses.

### West Non-MSA

#### ***Employment Factors***

According to the Mississippi Department of Employment Security, the unemployment rate in Washington County was 5.2 percent as of December 2021, an improvement from 8.9 percent as of January 2019. According to the U.S. Bureau of Labor Statistics, the National Unemployment rate as of December 2021 was 3.9 percent and 4.3 percent for the state of Mississippi.

#### ***Economic Conditions***

The largest industries in Washington County are retail trade, healthcare and social assistance, and educational services. The highest paying industries are professional, scientific, and technical services; agriculture, forestry, fishing and hunting, and mining; and real estate and rental/leasing.

We utilized a community contact during the evaluation period to a community development organization. The contact indicated general banking needs continue to reflect a need for more financial education. Primary credit needs are for small dollar consumer loans and small business loans.

## **Scope of Evaluation in Mississippi**

The MS Non-MSA was selected for analysis using full-scope procedures because the AA had the second largest proportion of the bank's deposits (25.4 percent) and loans (24.8 percent) within the rating area.

Ratings are primarily based on results of the full-scope area. Please see appendix A for more information.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MISSISSIPPI

### LENDING TEST

The bank's performance under the Lending Test in Mississippi is rated High Satisfactory.

#### Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the MS Non MSA is good.

#### Lending Activity

Lending levels reflect excellent responsiveness to AA credit needs considering the number and dollar amount of home mortgage, small business, and small farm loans relative to the bank's lending capacity based on deposits, competition, and market presence.

Number of Loans*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State Loans	%State Deposits
<b>Full Scope:</b>							
MS Non MSA	3,474	3,189	818	9	7,490	26.3%	25.1%
<b>Limited Scope:</b>							
Gulfport-Biloxi MSA	896	244	11	2	1,153	4.0%	0.7%
Hattiesburg MSA	1,785	1,124	115	16	3,040	10.7%	7.6%
Jackson MSA	9,183	6,976	626	42	16,827	59.0%	66.6%

\*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

Dollar Volume of Loans*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State* Loans	%State Deposits
<b>Full Scope:</b>							
MS Non MSA	\$ 532,646	\$217,326	\$49,180	\$ 13,993	\$ 813,145	20.9%	25.1%
<b>Limited Scope:</b>							
Gulfport-Biloxi MSA	\$ 140,289	\$ 24,528	\$ 1,867	\$ 7,486	\$ 174,170	4.5%	0.7%
Hattiesburg MSA	\$ 281,609	\$ 96,221	\$ 8,811	\$ 6,498	\$ 393,139	10.1%	7.6%
Jackson MSA	\$1,671,056	\$635,605	\$48,279	\$ 160,788	\$2,515,728	64.6%	66.6%

\*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

### MS Non MSA

The following factors support the bank's excellent responsiveness to community credit needs:

According to the June 30, 2021, FDIC Summary of Deposit Report, TNB had a total of \$2.1 billion in deposits in the MS Non MSA. TNB is ranked first in the deposit market with a deposit market share of 16.4 percent in a market of 42 deposit taking institutions. TNB's deposits account for 16.3 percent of the bank's total deposits.

Residential lending competition is significant in the MS Non MSA with 370 competitors in the market. According to the 2021 peer mortgage data, TNB ranked first in mortgage market share with a 7.9 percent market share. TNB's market share of 7.9 percent is less than the bank's 16.4 deposit market share. The bank's market share of mortgage loan originations ranked in the top one percentile in the AA. The bank's mortgage lending rank, compared to total number of lenders, was consistent with TNB's deposit market share rank relative to total number of depository institutions.

Competition in small business lending is also significant in the MSA with 110 lenders. According to the 2021 peer small business data, TNB ranked second with 8.8 percent market share. The bank's small business loan origination market share of 8.8 percent is less than the bank's 16.4 percent deposit market share. TNB's small business loan origination market share ranked in the top 1.8 percent of all small business loans. The bank's small business loan origination market share ranking, relative to the number of small business lenders in the market, was weaker than TNB's deposit market share ranking relative to total number of depository institutions.

According to the 2021 peer small farm peer data, TNB ranked first with a small farm market share of 26.9 percent in a market of 35 lenders. The bank's small farm loan origination market share of 26.9 percent is greater than the bank's 16.4 percent deposit market share. TNB's small farm loan origination market share ranked in the top 2.8 percent of all small farm loans. The bank's market share ranking of small farm loan originations was lower than TNB's deposit market share.

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

The bank exhibits a good geographic distribution of loans in its AA.

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

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

Based on the data in the tables and the following considerations, the bank's overall geographic distribution of home mortgage loan originations and purchases for this evaluation is good. The following information was taken into consideration when determining this rating.

The bank and other home mortgage lenders are challenged by strong competition in the AA with 392 lenders.

The opportunity to make residential mortgage loans is limited because the supply of owner-occupied homes in low-income CTs is relatively limited. The low-income tracts contain 2.7 percent, and the moderate-income tracts contain 12.8 percent, respectively, of the total owner-occupied housing units in the AA.

The proportion of loans in low-income geographies was well below the proportion of owner-occupied housing units in those geographies and exceeded the aggregate distribution of lending in those geographies. The proportion of bank loans in moderate-income tracts was below the proportion of owner-occupied housing units and exceeded the aggregate distribution of lending.

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

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

Based on the data in the tables and the following considerations, the bank's overall geographic distribution of small loans to business for this evaluation is good. The following information was taken into consideration when determining this rating.

Lenders in the AA, including TNB, are challenged by strong competition in the AA with 119 lenders. Small business lending in low-income tracts is also made challenging with a small percentage of businesses (4.8 percent) in those tracts.

TNB's level of small loans to businesses in low-income tracts is near to both the proportion of small businesses and the aggregate distribution of lending in those tracts. The bank's lending in moderate-income tracts exceeded both the proportion of small businesses and the aggregate distribution of lending in those tracts.

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

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

Based on the data in the tables and the following considerations, the bank's overall geographic distribution of small loans to farms for this evaluation is adequate. The following information was taken into consideration when determining this rating.

The opportunity to make small farm loans in the low-income tracts is very limited because a very small percentage of farms in the AA (2.6 percent) are in those tracts. Although 16.8 percent of farms are in moderate-income tracts, most of the farmers (80.3 percent) are in middle- and upper-income tracts.

The bank did not originate any loans in low-income tracts in a market with 3.3 percent farms and 0.0 aggregate. The bank's level of small loans to farms was below the proportion of small farms and near to the aggregate distribution in moderate-income geographies.

Small farm lending is not a business focus for the bank. The bank's lending performance is considered within the context of its business focus and has minimal impact on the overall lending performance conclusion.

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

Examiners reviewed summary reports and maps and analyzed home mortgage and small business lending activity to identify any gaps in the geographic distribution of loans in all full-scope AAs. Examiners did not identify any unexplained conspicuous gaps in any of the areas they reviewed.

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

The bank exhibits a good distribution of loans among individuals of different income levels and business and farms of different sizes, given the product lines offered by the institution.

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

Refer to Table P 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.

Based on the data in the tables and the following considerations, the bank's overall borrower distribution of home mortgage loan originations and purchases for this evaluation is good. The following information was taken into consideration when determining this rating.

The competition for lending is strong with 392 home mortgage lenders in the AA.

The proportions of loans to low-income borrowers were significantly below the proportion and near to the aggregate distribution of loans to low-income families in the AA, respectively. The proportions of the bank's mortgage loans were near to the proportion of moderate-income families and exceeded the aggregate distribution of mortgage loans to those families.

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

Refer to Table R 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.

When determining the conclusion in this AA, we considered the fact that 5.3 percent of the bank's small loans to businesses were PPP loans that did not have revenue information. Based on the data in the tables and considering the performance context factors discussed above, the overall borrower distribution of small loans to businesses was adequate. Consideration of the bank's PPP lending had a positive effect on our assessment of the bank's Distribution of Loans by Income Level of the Borrower.

The bank did not collect or consider the gross annual revenue in the underwriting of 44.2 percent of its small loans to businesses. Based on those businesses with known revenues, the bank's percentage of small loans to businesses with revenue of \$1 million or less was well below the proportion of those businesses in the AA but exceeded the aggregate distribution of loans.

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

Refer to Table T in the state of Mississippi section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to businesses.

Based on the data in the tables and the following considerations, the bank's overall geographic distribution of small loans to farms for this evaluation is good. The following information was taken into consideration when determining this rating.

The bank's proportion of loans to small farms was below the proportion of small farms and exceeded the aggregate distribution of lending to small farms in the AA.

Small farm lending is not a business focus for the bank. The bank's lending performance is considered within the context of its business focus and has minimal impact on the overall lending performance conclusion.

## **Community Development Lending**

The bank has made an adequate level of CD loans.

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

### **MS Non-MSA**

The volume of CD lending was adequate and had a minimal impact on the Lending Test performance in the MS Non-MSA. During the evaluation period, TNB originated nine CD loans totaling \$17.6 million or 7.42 percent of allocated tier 1 capital. CD loans originated exhibited adequate responsiveness to the credit and community needs in the AA. By dollar volume, 55.1 percent funded revitalization and stabilization efforts, 24 percent funded affordable housing, and 20.87 percent funded community services.

The following examples demonstrate the bank's use of responsive CD loans:

- The bank made a \$2.7 million loan for the purchase of an apartment complex in Lauderdale County. The purchase will provide affordable housing for 73 households in Meridian, MS.
- The bank originated a \$5 million revitalizing and stabilizing loan to the community. Loan proceeds were used for disaster recovery efforts due to an EF-3 tornado in Columbus, MS.
- The bank made a \$3.4 million community service loan to a school district in which 100 percent of the students receive free or reduced lunch. Loan proceeds will be used to make improvements including purchasing equipment and school buses.

## **Product Innovation and Flexibility**

The bank makes little use of innovative and/or flexible lending practices in order to serve AA credit needs. TNB supported affordable housing through participation in a FHLB of Dallas grant program. TNB made down payment assistance contributions as a FHLB of Dallas Member Bank through the HELP Subsidy Grant. Through this program, distributions of \$7,500 in assistance was granted to 12 LMI borrowers. Additionally, the bank issued 31 credit-building card cards to LMI borrowers. For a description of these programs, see the "Product Innovation and Flexibility" section of the Overall Description of Bank.

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

Based on the limited-scope review, the bank's performance under the Lending Test in the Gulfport-Biloxi MSA, Hattiesburg MSA, and Jackson MSA is consistent with the bank's overall performance under the Lending Test in the full-scope area. The performance in the AAs subject to limited-scope reviews have a minimal impact on the overall Lending Test conclusions.

Refer to Tables O through V in the state of Mississippi section of Appendix D for the facts and data that support these conclusions.

## INVESTMENT TEST

The bank's performance under the Investment Test in Mississippi is rated High Satisfactory.

### Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the MS Non MSA is good.

The bank has a significant level of qualified CD investments and grants, occasionally in a leadership position, particularly those that are not routinely provided by private investors.

The bank exhibits good responsiveness to credit and community economic development needs. The bank rarely makes use of innovative and/or complex investments to support CD initiatives.

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Full-Scope:										
MS Non MSA	10	\$11,339	312	\$4,323	322	39.1	\$15,662	19.0	0	\$0
Limited Scope:										
Gulfport-Biloxi MSA	0	\$0	31	\$1,437	31	3.8	\$1,437	1.7	0	\$0
Hattiesburg MSA	1	\$468	48	\$3,265	49	6.0	\$3,733	4.5	0	\$0
Jackson MSA	22	\$27,587	384	\$32,030	406	49.3	\$59,617	72.3	1	\$6,902
Statewide	0	\$0	15	\$2,015	15	1.8	\$2,015	2.4	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.

### MS Non MSA

The bank exhibits good performance in the AA. TNB had 322 qualified CD investments and donations totaling \$15.7 million, which is equivalent to 6.6 percent of allocated tier 1 capital. Throughout the evaluation period TNB made 312 CD investments and donations totaling \$4.3 million. Additionally, the AA benefitted from the ongoing impact of 10 prior period CD investments with outstanding balances of \$11.3 million. Currently period investments include MBS and municipal school bonds and prior period

investments included MBS, a low-income housing tax credit and a new market tax credit. The bank’s CD investments and donations were responsive to affordable housing and educational needs in the AA.

Examples of CD investments and donations include:

- TNB purchased \$441,000 in municipal bonds to support two school districts in the AA. The public schools supported by the bonds provide free or reduced fee lunches to over 50 percent of the student population.
- TNB donated \$295,000 through the state's Children's Promise Act to provide care for vulnerable, at-risk children within the AA.
- TNB made two donations totaling \$17,000 to benefit a Tribe and a Tribal School, which has a student population that is 95 percent LMI.

**Statewide**

The bank made 15 current period investments and donations totaling \$2 million outside its AAs in the broader statewide area. Contributions include investing in a Historic Tax Credit (HTC) program to repurpose a historic building into a vocational school and 14 donations to various charities. Statewide CD investments and donations had a positive impact on the Investment Test rating in Mississippi.

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

Based on limited-scope review, the bank's performance under the Investment Test in the Gulfport-Biloxi MSA and Jackson MSA was consistent with the bank's overall performance under the Investment Test in the full-scope AA. The bank’s performance in the Hattiesburg MSA was weaker than the bank’s overall performance under the Investment Test in the full-scope AA. Weaker performance is due to a smaller percentage of CD investments and grants compared to allocated tier 1 capital. Performance in limited-scope AAs had a minimal impact on the bank's overall Investment Test rating.

**SERVICE TEST**

The bank’s performance under the Service Test in Mississippi is rated Outstanding.

**Conclusions for Area Receiving a Full-Scope Review**

Based on a full-scope review, the bank’s performance in the MS Non MSA is excellent.

**Retail Banking Services**

Service delivery systems are readily accessible to geographies and individuals of different income levels in the bank’s AA.

Distribution of Branch Delivery System					
Assessment Area	Deposits	Branches			Population
	% of Rated	% of Rated	Location of Branches by Income of Geographies (%)		% of Population within Each Geography*



	Area Deposits in AA	# of BANK Branches	Area Branches in AA	Low	Mod	Mid	Upper	Low	Mod	Mid	Upper
<b>Full Scope:</b>											
MS Non MSA	25.1	36	40.5	5.6	25.0	41.7	27.8	6.0	18.0	47.4	27.4
<b>Limited Scope:</b>											
Gulfport-Biloxi MSA	0.7	2	2.4	0.0	0.0	100.0	0.0	8.9	11.6	66.4	13.0
Hattiesburg MSA	7.6	11	10.7	12.5	25.0	62.5	0.0	11.7	11.1	46.7	30.5
Jackson MSA	66.6	44	46.4	13.5	24.3	24.3	37.8	8.7	25.6	30.0	34.9

\*MS Non MSA N/A 1.2; Gulfport-Biloxi MSA N/A 0.2; Jackson MSA N/A 0.8

**MS Non MSA**

The bank has 36 branches within the AA, two located in low-income CTs and nine located in moderate-income CTs. The percentage of the bank’s branches in low-income geographies is near to the percentage of population living in those geographies. In moderate-income geographies, the percentage of bank’s branches exceeds the percentage of population living in those geographies. The bank’s branches include deposit-taking ATMs. The bank has 46 deposit-taking ATM/ITMs located in the AA, with three in low-income CTs and 12 in moderate-income CTs. The percentage of ATM/ITMs in LMI CTs exceeds the level of population in the LMI areas. ATM distribution is consistent with the bank’s branch distribution.

Distribution of Branch Openings/Closings						
Assessment Area	# of Branch Openings	# of Branch Closings	Branch Openings/Closings			
			Net change in Location of Branches (+ or -)			
			Low	Mod	Mid	Upper
<b>Full Scope:</b>						
MS Non MSA	2	2	0	-1	-1	+2
<b>Limited Scope</b>						
Gulfport-Biloxi MSA	0	0	0	0	0	0
Hattiesburg MSA	0	3	-1	0	-1	-1
Jackson MSA	1	-7	0	0	-2	-4

**MS Non MSA**

To the extent changes have been made, the bank’s opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in LMI geographies and/or to LMI individuals. The bank closed one branch in a moderate-income CT and one in a middle-income and opened two branches in upper-income CTs within the AA during the evaluation period.

Services, including where appropriate, business hours do not vary in a way that inconveniences its AAs, particularly low- and moderate-income geographies and/or individuals. All branches operate during traditional banking hours of 9:00 am to 4:30 pm Monday through Thursday and 9:00 am to 5:30 pm on Friday.

## **Community Development Services**

The bank is a leader in providing CD services.

### **Conclusions for Area Receiving a Full-Scope Review**

The bank is a leader in providing CD services in the MS Non MSA.

CD services were effective and responsive in helping the bank address community needs. The bank conducted or supported an excellent level of CD services, consistent with its capacity and expertise to conduct specific activities.

TNB employees from various lines of business provided technical assistance to 56 different CD organizations totaling approximately 1,154 hours during the evaluation period and COVID-19 pandemic. TNB staff served on 25 boards and committees for organization that provide community services targeted to LMI individuals.

Examples of some of these services:

- An employee served as a member of the Investment Committee of an organization that builds a stronger and healthier community by bringing together the human, financial, and strategic resources to deliver improvements to the health and human services of LMI individuals.
- An employee served as a member of the Finance Committee and Executive Board of an organization that restores and enhances the quality of life of LMI citizens with disabling conditions through rehabilitation services.
- Several employees taught financial literacy courses using Money Smart modules.

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

Based on limited-scope reviews, the bank's performance under the Service Test in the Hattiesburg MSA is consistent with the bank's performance under the Service Test in the full-scope area. The bank's performance in the Gulfport-Biloxi MSA and Jackson MSA is weaker than the bank's overall performance under the Service Test in the full-scope area. Weaker performance in the Gulfport-Biloxi MSA is due to branch distribution and weaker performance in the Jackson MSA is due to branch openings and closings. Performance in the limited-scope AAs had a minimal impact on the Services Test rating.

## State Rating

### State of Texas

**CRA rating for the State of Texas<sup>5</sup>:** Satisfactory  
**The Lending Test is rated:** High Satisfactory  
**The Investment Test is rated:** High Satisfactory  
**The Service Test is rated:** Low Satisfactory

The major factors that support this rating include:

- Lending levels reflect good responsiveness to AA credit needs.
- The bank exhibits good geographic distribution of loans in its AA.
- The bank exhibits a good distribution of loans among individuals of different income levels and businesses.
- The bank has a good level of qualified CD investments and grants. CD investments were responsive to affordable housing needs.
- Service delivery systems are reasonably accessible to geographies and individuals of different income levels. CD services had a positive impact on the Service Test rating.

### Description of Institution's Operations in Texas

The bank has one AA within the state of Texas, comprised of the Houston-Woodlands-Sugar Land MSA. The AA consists of whole counties.

The bank made 3.4 percent of its loan originations and purchases compared to total bank loans during the evaluation period. Deposits in the state account for 4.8 percent of total bank deposits.

### Houston MSA

Table A – Demographic Information of the Assessment Area						
Assessment Area: Houston MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	868	17.2	30.1	22.5	29.4	0.9
Population by Geography	5,060,540	13.8	27.9	25.7	32.0	0.5
Housing Units by Geography	1,892,886	14.7	26.9	24.8	33.4	0.3
Owner-Occupied Units by Geography	995,517	6.3	22.9	27.6	43.1	0.1

<sup>5</sup> This rating reflects performance within the multistate metropolitan statistical area. The statewide evaluations do not reflect performance in the parts of those states contained within the multistate metropolitan statistical area.

Occupied Rental Units by Geography	724,136	23.7	31.5	22.2	22.0	0.7
Vacant Units by Geography	173,233	24.7	30.8	19.3	24.9	0.4
Businesses by Geography	500,927	10.9	18.8	21.5	48.7	0.2
Farms by Geography	6,671	6.6	17.2	25.5	50.5	0.1
Family Distribution by Income Level	1,205,629	25.7	16.4	16.9	41.0	0.0
Household Distribution by Income Level	1,719,653	25.6	16.3	16.8	41.3	0.0
Median Family Income MSA - 26420 Houston-The Woodlands-Sugar Land, TX MSA		\$69,373	Median Housing Value			\$175,077
			Median Gross Rent			\$971
			Families Below Poverty Level			13.7%
<p><i>Source: 2015 ACS and 2020 D&amp;B Data</i>  <i>Due to rounding, totals may not equal 100.0%</i>  <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i></p>						

The bank's AA within the Houston-Woodlands-Sugar Land MSA (Houston MSA) includes the complete counties of Fort Bend, Harris, and Waller in Texas.

According to 2015 ACS data, the population of the Houston AA is over 5 billion. The bank's delineated AA consists of 868 CTs, of which 149 are low-income and 261 are moderate-income. The AA meets the requirements of the regulation and does not arbitrarily exclude low or moderate-income geographies.

Based on FDIC Deposit Market Share data as of June 30, 2021, the bank had a 0.2 percent deposit market share in the AA, ranking them 39th out of 95 total financial institutions doing business in the area. Deposits of \$710.5 million account for 4.8 percent of the bank's total deposits. Primary market competitors include mix of large institutions, comprised of JP Morgan Chase Bank, National Association, which ranked first in deposit market share with 147 offices; Wells Fargo Bank, National Association, which ranked second in deposit market share with 132 offices; Bank of America, National Association, which ranked third in deposit market share with 95 offices.

TNB provides a full range of loan and deposit products and services in the MSA. The bank operated 11 full-services branches; one located in a low-income CT, two located in moderate-income CTs, three located in middle-income CTs, and five located in upper-income CTs. Additionally, the bank has 11 deposit-taking ATMs throughout the AA. These locations represent 6.3 percent of the bank's total branch network.

### ***Employment Factors***

According to the U.S. Bureau of Labor and Statistics, as of December 2021, the unemployment rate in the Houston-Woodlands-Sugar Land MSA was 5.6 percent, an increase from 4 percent in January 2019. The unemployment rate increase coincides with the proliferation of the COVID-19 pandemic across the county. The US National Unemployment rate as of December 2021 was 3.9 percent. Similarly, the unemployment rate was 4.5 percent for the state of Texas.

### ***Housing Characteristics***

According to 2015 U.S. Census data, there are 1.9 million housing units, consisting of 52.6 percent owner-occupied housing and 38.3 percent rental occupied units. Approximately 6.3 percent of owner-occupied units and 23.7 percent of renter occupied units were in low-income CTs. Further, 22.9 percent of owner-occupied units and 31.5 percent of renter occupied units were in moderate-income CTs.

The AA is a high cost housing area, limiting access to affordable home ownership among LMI borrowers. According to Realtor.com data, the median housing value in the MSA was \$359,900 in 2021, representing 16.3 percent increase from the median housing value of \$309,450 at the beginning of the evaluation period in 2019. Assuming a 30-year mortgage with a five percent interest rate, and not accounting for down payment, homeowners' insurance, real estate taxes, or any additional monthly expenses, a low-income borrower making \$45,400 per year (or less than 50 percent of the 2021 FFIEC adjusted median family income in the AA) could afford a \$211,430 mortgage with a payment of \$1,135 per month. A moderate-income borrower making \$72,640 per year (or less than 80 percent of the 2021 FFIEC adjusted median family income in the AA) could afford a \$338,287 mortgage with a payment of \$1,816 per month. This illustrates that LMI borrowers would be challenged to qualify for a mortgage loan in the MSA with an estimated payment of \$1,932, according to Realtor.com data.

### ***Economic Conditions***

According to Moody's Analytics, the local economy fared well throughout the pandemic, supported in part by a robust local energy sector, export linkage to the Gulf Coast, as well as migration inflow to the area that sustained consumer demand, wages, and startup activity throughout the pandemic shutdowns. Exploration and drilling in the Houston area has varied significantly during the pandemic as shutdowns significantly impacted oil prices. However, drilling activity returned to near pre-pandemic levels by year end 2021 as the market stabilized and global needs rose. The Dallas Federal Reserve indicates drilling will increase marginally over the next several years, which will subsequently cause a slowdown in fabrication and manufacturing activity in the area. Despite this, labor force participation continues to be strong, growing at twice the national average as the state of Texas experiences strong migration.

Moody's Analytics also indicate like the rest of the nation, the housing market was highly impacted by Federal Reserve market intervention during the pandemic. Affordability in the area has fallen approximately 40 percent since year 2020 as higher competition and favorable interest rates increased real estate demand. Longer term prospects for single-family housing will improve given the AAs above-average employment trends, population growth, and favorable housing affordability compared to Dallas and Austin, Texas. Further, the state government has approved a record level of new multifamily unit construction permits, which should ease pressures in the rental market.

We utilized three community contacts during the evaluation period in this AA. The community contacts were made during the evaluation period to an economic development corporation, a local development corporation and a small business development corporation. The corporations identified needs within the community as affordable housing, small business lending, and SBA financing.

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

The Houston MSA was selected for analysis using full-scope procedures because it is the only AA in the rating area.

The rating is based on results of the full-scope area. Please see appendix A for more information.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN TEXAS

### LENDING TEST

The bank's performance under the Lending Test in Texas is rated High Satisfactory.

#### Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the Houston MSA is good.

#### Lending Activity

Lending levels reflects good responsiveness to AA credit needs considering the number and dollar amount of home mortgage, small business, and small farm loans relative to the bank's lending capacity based on deposits, competition, and market presence.

Number of Loans*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State Loans	%State Deposits
Houston MSA	650	1,333	21	5	2,009	100	100

\*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

Dollar Volume of Loans*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State* Loans	%State Deposits
Houston MSA	\$252,479	\$205,008	\$6,132	\$12,244	\$475,863	100	100

\*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

The following factors support the bank's good responsiveness to community credit needs:

According to the June 30, 2021, FDIC Summary of Deposits Report, TNB had a total of \$710.5 million in deposits in the Houston MSA. TNB ranked 33<sup>rd</sup> in the deposit market with a deposit market share of 0.2 percent in a market of 81 deposit taking institutions. TNB's deposits account for 4.8 percent of the bank's total deposits. The bank's deposit market share ranking was in the top 40.7 percentile in the AA.

Residential mortgage lending competition in the Houston MSA is significant with 967 lenders in the market. According to the 2021 peer market data, TNB ranked 135<sup>th</sup> in mortgage market share with 0.1 percent market share. TNB's mortgage market share of 0.1 percent is in line with the bank's 0.2 percent deposit market share. The bank's market share of mortgage loan originations ranked in the top 13.9 percentile in the AA. The top five lenders have captured 22.3 percent of the market. The bank's mortgage lending rank, compared to total number of lenders, is weaker than TNB's deposit market share rank relative to the total number of depository institutions. Competition in small business lending is also significant in the MSA with 314 lenders. According to the 2021 peer small business data, TNB ranked 36<sup>th</sup> with a 0.3 percent market share. The bank's small business market share of 0.3 percent exceeds the deposit market share of 0.2 percent. The small business loan origination market share ranked in the top 11.5 percentile of all small business lenders. The bank's small business loan origination market share

ranking, relative to the number of small business lenders in the market, was stronger than TNB's deposit market share ranking relative to total number of depository institutions.

According to the 2021 peer small farm peer data, TNB ranked 17<sup>th</sup> with a small farm market share of 0.6 percent in a market of 44 lenders. The small farm market share of 0.6 percent is stronger than the deposit market share of 0.2 percent. The bank's market share ranked in the top 38.6 percent of all small farm lenders. TNB's market share ranking of small farm loan originations was stronger than TNB's deposit market share ranking.

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

The bank exhibits a good geographic distribution of loans in its AA.

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

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

Based on the data in the tables and the following considerations, the bank's overall geographic distribution of home mortgage loan originations and purchases for this evaluation is adequate. The following information was taken into consideration when determining this rating.

The bank and other home mortgage lenders are challenged by strong competition in the AA with 967 lenders.

Residential mortgage lending is challenging in the Houston MSA. The low-income tracts contain 6.3 percent, and the moderate-income tracts contain 22.9 percent, respectively, of the total owner-occupied housing units in the AA.

All lenders are subject to the same challenges of originating mortgage loans because of the limited supply of owner-occupied housing unit in LMI tracts and the strong competition in the AA.

The proportion of loans in low-income geographies was well below the proportion of owner-occupied housing units in those geographies and below the aggregate distribution of lending in those geographies. The proportion of bank loans in moderate-income tracts was well below the proportion of owner-occupied housing units and near to the aggregate distribution of lending.

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

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

Based on the data in the tables and the following considerations, the bank's overall geographic distribution of small loans to business for this evaluation is excellent. The following information was taken into consideration when determining this rating.

Lenders in the AA, including TNB, are challenged by strong competition in the AA with 314 lenders.

TNB's level of small loans to businesses in low-income tracts was near to both the proportion of small businesses and the aggregate distribution of lending in those tracts. The bank's lending in moderate-income tracts exceeded both the proportion of small businesses and the aggregate distribution of lending in those tracts.

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

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

Based on the data in the tables and the following considerations, the bank's overall geographic distribution of small loans to farms for this evaluation is adequate. The following information was taken into consideration when determining this rating.

In low-income CTs, the bank did not originate any loans in a market of 6.6 percent farms and 3.8 aggregate. The bank's level of small loans to farms exceeded both the proportion of small farms and the aggregate distribution in moderate-income geographies.

Small farm lending is not a business focus for the bank in the AA. The bank's lending performance is considered within the context of its business focus and has minimal impact on the overall lending performance conclusion.

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

Examiners reviewed summary reports and maps, and analyzed home mortgage and small business lending activity to identify any gaps in the geographic distribution of loans in all full-scope AAs. Examiners did not identify any unexplained conspicuous gaps in any of the areas they reviewed.

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

The bank exhibits an adequate distribution of loans among individuals of different income levels and business and farms of different sizes, given the product lines offered by the institution.

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

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

Based on the data in the tables and the following considerations, the bank's overall borrower distribution of home mortgage loan originations and purchases for this evaluation is adequate. The following information was taken into consideration when determining this rating.

The competition for lending is strong with 967 home mortgage lenders in the AA.

The proportions of loans to low-income borrowers were significantly below the proportion and near to the aggregate distribution of loans to low-income families in the AA, respectively. The proportions of the bank's mortgage loans were near to the proportion of moderate-income families and below the aggregate distribution of mortgage loans to those families.



***Small Loans to Businesses***

Refer to Table R in the state of Texas 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.

When determining the conclusion in this AA, we considered the fact that 42.0 percent of the bank's small loans to businesses were PPP loans that did not have revenue information. Based on the data in the tables and considering the performance context factors discussed above, the overall borrower distribution of small loans to businesses was adequate. Consideration of the bank's PPP lending had a positive effect on our assessment of the bank's Distribution of Loans by Income Level of the Borrower.

The bank did not collect or consider the gross annual revenue when underwriting 71.9 percent of its small loans to businesses. Based on those businesses with known revenues, the bank's percentage of small loans to businesses with revenue of \$1 million or less was significantly below the proportion of those businesses in the AA and well below the aggregate distribution of loans.

***Small Loans to Farms***

Refer to Table T in the state of Texas section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to businesses.

Based on the data in the tables and the following considerations, the bank's overall geographic distribution of small loans to farms for this evaluation is poor. The following information was taken into consideration when determining this rating.

The bank's proportion of loans to small farms was significantly below the proportion of small farms and below the aggregate distribution of lending to small farms in the AA.

Small farm lending is not a business focus for the bank within the AA. The bank's lending performance is considered within the context of its business focus and has minimal impact on the overall lending performance conclusion.

**Community Development Lending**

The bank has made an adequate level of CD loans.

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

**Houston MSA**

The bank has made an adequate level of CD loans.

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

The volume of CD lending was adequate and had a minimal impact on the Lending Test performance in the Houston MSA. During the evaluation period, TNB originated five CD loans totaling \$12.2 million or 15.3 percent of allocated tier 1 capital. CD loans originated exhibited adequate responsiveness to the credit and community needs in the AA. By dollar volume, 46.5 percent funded revitalization and stabilization efforts, 31.8 percent funded economic development, 17.3 percent funded affordable housing, and 4.4 percent funded community services.

The following examples demonstrate the bank's use of responsive CD loans:

- The bank made a \$4.5 million economic development loan where funds were used to construction a gas station and convenience store. The gas station and convenience store will create 12 new jobs for LMI individuals.
- The bank originated a \$1.5 million affordable housing loan where funds were used to purchase a 24-unit multifamily building and three single family homes. The loan will provide affordable housing to 27 families in a low-income CT.
- The bank made a \$2.7 million economic development loan to improve the city-wide water and wastewater systems in Fort Bend County. The Fort Bend County municipal district will provide water and sewer to residents in Fort Bend County including LMI residents.

### **Product Innovation and Flexibility**

The bank makes little use of innovative and/or flexible lending practices in order to serve AA credit needs. TNB supported affordable housing through participation in closing costs credit incentives. During the evaluation period, TNB made \$112,000 in closing cost credit incentives to 56 qualified LMI homebuyers. Additionally, the bank issued 10 credit-building credit cards to LMI borrowers. For a description of these programs, see the "Product Innovation and Flexibility" section of the Overall Description of Bank.

### **INVESTMENT TEST**

The bank's performance under the Investment Test in Texas is rated High Satisfactory.

### **Conclusions for Area Receiving a Full-Scope Review**

Based on a full-scope review, the bank's performance in the Houston AA is good.

The bank has a significant level of qualified CD investments and grants, occasionally in a leadership position, particularly those that are not routinely provided by private investors.

The bank exhibits good responsiveness to credit and community economic development needs. The bank rarely makes use of innovative and/or complex investments to support CD initiatives.

### **Number and Amount of Qualified Investments**

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Houston MSA	1	\$758	26	\$4,283	27	96.4	\$5,041	99.9	1	\$596
Statewide	0	\$0	1	\$5	1	3.5	\$5	0.1	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.

## Houston MSA

The bank exhibits good performance in the AA. TNB had 27 qualified CD investments and donations totaling \$5 million, which is equivalent to 7 percent of allocated tier 1 capital. During the evaluation period, TNB made 26 current period CD investments and donations totaling \$4.3 million. The bank also had one unfunded commitment totaling \$596,000. Additionally, the AA benefitted from the ongoing impact of one prior period CD investments with an outstanding balance of \$758,000. The bank's CD investments were responsive to affordable housing needs in the AA. CD investments in affordable housing accounted for 98 percent of the total CD investments in the AA.

Examples of CD investments and donations include:

- TNB made a \$2.0 million investment in a LIHTC to support the construction of 70 low-income family housing units in the AA. The stated rental rates of the units will be lower than the HUD rental rates, and 80 percent of the units are designated for LMI families with incomes of 50-80 percent below the area median income.
- The bank purchased a \$694,161 MBS that benefits LMI individuals and geographies.
- TNB made five donations totaling \$36,000 to an organization that provides mental healthcare to the homeless population within the AA.

## Statewide

The bank made one donation in the statewide area totaling \$5,000. The statewide CD donation benefitted community services through scholarship programs associated with the organization.

## SERVICE TEST

The bank's performance under the Service Test in Texas is rated Low Satisfactory.

## Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the Houston MSA is adequate.

## Retail Banking Services

Service delivery systems are reasonably accessible to geographies and individuals of different income levels in the bank’s AA.

Distribution of Branch Delivery System											
Assessment Area	Deposits % of Rated Area Deposits in AA	Branches						Population			
		# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				% of Population within Each Geography			
	Low			Mod	Mid	Upper	Low	Mod	Mid	Upper	
Houston MSA	100	11	100	9.1	18.2	27.3	45.4	13.8	27.9	25.7	32.0

\*N/A 0.5

### Houston MSA

The bank has 11 branches within the AA, one located in a low-income CT and two located in moderate-income CTs. The percentage of the bank’s branches in LMI geographies are below the percentage of population living in those geographies. The bank’s branches include deposit-taking ATMs. The bank has 11 deposit-taking ATMs located in the AA, with one in a low-income CT and two in moderate-income CTs. The percentage of ATMs in LMI CTs is below the level of population in the LMI areas. ATM distribution is consistent with the bank’s branch distribution.

Distribution of Branch Openings/Closings						
Assessment Area	# of Branch Openings	# of Branch Closings	Branch Openings/Closings			
			Net change in Location of Branches (+ or -)			
			Low	Mod	Mid	Upper
Houston MSA	0	1				-1

### Houston MSA

To the extent changes have been made, the bank’s opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in LMI geographies and/or to LMI individuals. The bank did not open any branches within the AA and closed one branch in an upper-income CT within the AA during the evaluation period.

Services, including where appropriate, business hours do not vary in a way that inconveniences the AA, particularly LMI geographies and/or individuals. All branches operate during traditional banking hours of 9:00 am to 5:00 pm Monday through Friday.

## Community Development Services

The institution provides a relative high level of CD services.

### Houston MSA

The bank provides a relative high level of CD services in the Houston MSA.

CD services were effective and responsive in helping the bank address community needs. The bank conducted or supported a good level of CD services, consistent with its capacity and expertise to conduct specific activities.

TNB employees from various lines of business provided technical assistance to eight different CD organizations totaling 410 hours during the evaluation period and the COVID-19 pandemic. TNB staff served on three board and committees for organizations that provide community services targeted to LMI individuals.

Examples of some of these services:

- Several employees taught financial literacy courses using Money Smart modules.
- An employee served as a member on the Board of Directors of a healthcare organization that provides medical care, mental health services, addiction counseling, and dental care to LMI individuals.
- An employee served as a member of the Board of Directors of a finance corporation that provides housing to LMI residents of Houston primarily through issuance of single-family mortgage revenue bonds and private activity bonds for multifamily housing.

## 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”.

<b>Time Period Reviewed:</b>	01/01/19 to 12/31/21	
<b>Bank Products Reviewed:</b>	Home mortgage, small business, and small farm Community development loans, qualified investments, and community development services	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
Southern Community Capital (SCC)	Subsidiary	Community Development Loans
<b>List of Assessment Areas and Type of Examination</b>		
<b>Rating and Assessment Areas</b>	<b>Type of Exam</b>	<b>Other Information</b>
<b>MMSA</b>		
Memphis TN-MS MMSA	Full-Scope	Counties of Desoto in MS and Fayette and Shelby in TN
<b>State of Alabama</b>		
AL Non- MSA	Limited-Scope	Counties of Barbour, Butler, Dallas, Escambia, Marengo, and Monroe
Auburn-Opelika MSA	Limited-Scope	Lee County
Birmingham-Hoover MSA	Limited-Scope	Counties of Bibb, Jefferson, and Shelby
Daphne-Fairhope-Foley MSA	Full-Scope	Baldwin County
Huntsville MSA	Limited-Scope	Counties of Limestone and Madison
Mobile MSA	Limited-Scope	Mobile County
Montgomery MSA	Limited-Scope	Counties of Autauga, Elmore, Lowndes, and Montgomery
Tuscaloosa MSA	Limited-Scope	Tuscaloosa County
<b>State of Florida</b>		
Crestview-Fort Walton Beach-Destin MSA	Limited-Scope	Counties of Okaloosa and Walton
Panama City MSA	Limited-Scope	Bay County
Pensacola-Ferry Pass-Brent MSA	Full-Scope	Escambia County
<b>State of Mississippi</b>		
MS Non-MSA	Full-Scope	Counties of Alcorn, Amite, Itawamba, Lafayette, Lauderdale, Leake, Lee, Leflore, Lowndes, Marion, Neshoba, Oktibbeha, Pike, Smith, Walthall, and Washington
Gulfport-Biloxi MSA	Limited-Scope	Harrison County
Hattiesburg MSA	Limited-Scope	Counties of Forrest, Jones, Lamar, and Perry
Jackson MSA	Limited-Scope	Counties of Copiah, Hinds, Lincoln, Madison, Rankin, Simpson, and Warren
<b>State of Texas</b>		
Houston MSA	Full-Scope	Counties of Fort Bend, Harris, and Waller

## Appendix B: Summary of MMSA and State Ratings

<b>RATINGS TRUSTMARK NATIONAL BANK</b>				
<b>Overall Bank:</b>	<b>Lending Test Rating*</b>	<b>Investment Test Rating</b>	<b>Service Test Rating</b>	<b>Overall Bank/State/Multistate Rating**</b>
Trustmark National Bank	High Satisfactory	High Satisfactory	High Satisfactory	Satisfactory
<b>MMSA or State:</b>				
Memphis TN-MS MMSA	High Satisfactory	High Satisfactory	Low Satisfactory	Satisfactory
State of Alabama	Low Satisfactory	High Satisfactory	High Satisfactory	Satisfactory
State of Florida	Low Satisfactory	Low Satisfactory	Low Satisfactory	Satisfactory
State of Mississippi	High Satisfactory	High Satisfactory	Outstanding	Satisfactory
State of Texas	High Satisfactory	High Satisfactory	Low Satisfactory	Satisfactory

(\*) The Lending Test is weighted more heavily than the Investment and Service Tests in the overall rating.

(\*\*) The bank’s overall CRA Performance Evaluation rating was lowered from “Satisfactory” to “Needs to Improve” as a result of the extent and nature of evidence of discriminatory and illegal credit practices, as described in the Discriminatory or Other Illegal Credit Practices section of this document.

## 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.

**Census Tract (CT):** A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

**Combined Statistical Area (CSA):** A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

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

**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 §1003.2 of this title, and that is not an excluded transaction under §1003.3(c)(1) through (10) and (13) of this title.

**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.

**MMSA (state):** Any multistate metropolitan statistical area or multistate combined statistical area, as defined by the Office of Management and Budget.

**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.

**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

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### Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, 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 loans are treated the same 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/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 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/assessment area. 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 assessment area.
- 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.

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

**Table S. Assessment Area Distribution of Loans to Farms by Income Category of the Geography** - 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. Because aggregate small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.

**Table T. Assessment Area Distribution of Loans to Farms by Gross Annual Revenues** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$500 thousand) originated and purchased by the bank to farms with revenues of \$1 million or less to: 1) the percentage distribution of farms with revenues of greater than \$1 million; and, 2) the percentage distribution of farms for which revenues are not available. The table also presents aggregate peer small farm data for the years the data is available.

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

## Memphis TN-MS MMSA

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2019-2021	
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	
Memphis TN- MS MSA	2,606	464,589	100.0	53,369	10.8	2.8	3.9	15.8	8.7	8.7	22.9	31.6	21.2	50.3	56.8	66.2	0.1	0.0	0.0	
<b>Total</b>	<b>2,606</b>	<b>464,589</b>	<b>100.0</b>	<b>53,369</b>	<b>10.8</b>	<b>2.8</b>	<b>3.9</b>	<b>15.8</b>	<b>8.7</b>	<b>8.7</b>	<b>22.9</b>	<b>31.6</b>	<b>21.2</b>	<b>50.3</b>	<b>56.8</b>	<b>66.2</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>	

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																			2019-2021	
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	
Memphis TN-MS MSA	2,606	464,589	100.0	53,369	24.1	5.4	3.3	15.4	20.8	11.1	17.2	23.8	17.7	43.3	44.2	44.0	0.0	5.8	24.0	
<b>Total</b>	<b>2,606</b>	<b>464,589</b>	<b>100.0</b>	<b>53,369</b>	<b>24.1</b>	<b>5.4</b>	<b>3.3</b>	<b>15.4</b>	<b>20.8</b>	<b>11.1</b>	<b>17.2</b>	<b>23.8</b>	<b>17.7</b>	<b>43.3</b>	<b>44.2</b>	<b>44.0</b>	<b>0.0</b>	<b>5.8</b>	<b>24.0</b>	

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** **2019-2021**

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
Memphis TN-MS MSA	1,033	94,102	100.0	27,759	12.0	6.8	11.5	15.1	9.9	15.1	21.1	31.5	21.1	50.8	50.7	51.4	1.0	1.2	0.9
<b>Total</b>	<b>1,033</b>	<b>94,102</b>	<b>100.0</b>	<b>27,759</b>	<b>12.0</b>	<b>6.8</b>	<b>11.5</b>	<b>15.1</b>	<b>9.9</b>	<b>15.1</b>	<b>21.1</b>	<b>31.5</b>	<b>21.1</b>	<b>50.8</b>	<b>50.7</b>	<b>51.4</b>	<b>1.0</b>	<b>1.2</b>	<b>0.9</b>

Source: 2020 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 R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues** **2019-2021**

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
Memphis TN-MS MSA	1,033	94,102	100.0	27,759	83.7	11.5	39.2	5.2	13.4	11.1	75.1
<b>Total</b>	<b>1,033</b>	<b>94,102</b>	<b>100.0</b>	<b>27,759</b>	<b>83.7</b>	<b>11.5</b>	<b>39.2</b>	<b>5.2</b>	<b>13.4</b>	<b>11.1</b>	<b>75.1</b>

Source: 2020 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%

<b>Table S - Assessment Area Distribution of Loans to Farms by Income Category of the Geography</b>																				<b>2019-2021</b>		
Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts					
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate			
Memphis TN-MS MSA	62	3,396	100.0	189	6.9	3.2	0.5	11.2	0.0	4.2	26.3	67.7	48.7	54.7	29.0	46.0	0.8	0.0	0.5			
<b>Total</b>	<b>62</b>	<b>3,396</b>	<b>100.0</b>	<b>189</b>	<b>6.9</b>	<b>3.2</b>	<b>0.5</b>	<b>11.2</b>	<b>0.0</b>	<b>4.2</b>	<b>26.3</b>	<b>67.7</b>	<b>48.7</b>	<b>54.7</b>	<b>29.0</b>	<b>46.0</b>	<b>0.8</b>	<b>0.0</b>	<b>0.5</b>			

*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%*

<b>Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues</b>												<b>2019-2021</b>	
Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available			
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans		
Memphis TN-MS MSA	62	3,396	100.0	189	94.7	62.9	41.8	3.1	0.0	2.2	37.1		
<b>Total</b>	<b>62</b>	<b>3,396</b>	<b>100.0</b>	<b>189</b>	<b>94.7</b>	<b>62.9</b>	<b>41.8</b>	<b>3.1</b>	<b>0.0</b>	<b>2.2</b>	<b>37.1</b>		

*Source: 2020 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%*



## State of Alabama

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2019-2021		
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		
<b>Full Scope:</b>																					
Daphne-Fairhope-Foley MSA	2,384	602,868	17.5	19,211	0.0	0.0	0.0	14.9	7.4	15.7	65.0	57.2	57.4	20.1	35.4	26.9	0.0	0.0	0.0		
<b>Limited Scope:</b>																					
Auburn-Opelika MSA	548	127,470	4.0	8,897	1.8	0.0	0.3	12.5	20.4	13.4	70.9	58.2	69.9	14.3	19.3	15.5	0.5	2.0	0.9		
Birmingham-Hoover MSA	2,617	663,938	19.2	47,351	6.3	1.1	1.9	19.2	8.4	10.1	29.8	22.9	26.8	44.6	67.4	61.2	0.0	0.1	0.0		
Huntsville MSA	1,193	266,810	8.8	35,682	4.0	1.5	2.2	24.5	16.9	16.0	33.8	37.5	36.7	37.7	44.1	45.1	0.0	0.0	0.0		
Mobile MSA	2,699	522,800	19.8	16,149	5.7	1.1	1.1	15.0	8.0	7.4	38.5	31.0	35.0	40.9	59.9	56.5	0.0	0.0	0.0		
Montgomery MSA	3,087	625,031	22.7	16,329	6.4	0.3	0.8	19.2	8.7	9.9	37.2	33.8	34.2	37.1	57.1	54.9	0.0	0.1	0.1		
Non MSA AL	686	81,563	5.0	2,871	1.9	0.7	0.4	22.0	13.1	15.6	57.1	55.4	57.8	18.9	30.8	26.3	0.0	0.0	0.0		
Tuscaloosa MSA	408	93,598	3.0	9,991	1.2	0.0	0.2	12.0	7.8	7.6	41.7	36.0	35.8	44.6	54.9	55.7	0.5	1.2	0.7		
<b>Total</b>	<b>13,622</b>	<b>2,984,078</b>	<b>100.0</b>	<b>156,481</b>	<b>4.7</b>	<b>0.7</b>	<b>1.3</b>	<b>18.6</b>	<b>9.7</b>	<b>12.0</b>	<b>39.6</b>	<b>37.7</b>	<b>38.0</b>	<b>37.2</b>	<b>51.8</b>	<b>48.6</b>	<b>0.1</b>	<b>0.2</b>	<b>0.1</b>		

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** **2019-2021**

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	
<b>Full Scope:</b>																				
Daphne-Fairhope-Foley MSA	2,384	602,868	17.5	19,211	20.6	4.1	5.3	17.7	16.6	14.5	20.9	22.6	19.2	40.9	50.7	42.1	0.0	6.0	18.9	
<b>Limited Scope:</b>																				
Auburn-Opelika MSA	548	127,470	4.0	8,897	24.8	6.9	5.6	15.2	29.4	17.6	18.6	20.4	21.2	41.4	38.1	36.0	0.0	5.1	19.6	
Birmingham-Hoover MSA	2,617	663,938	19.2	47,351	23.2	4.8	5.6	15.2	18.8	15.9	17.6	20.9	19.4	43.9	53.0	40.9	0.0	2.5	18.2	
Huntsville MSA	1,193	266,810	8.8	35,682	23.8	8.1	6.3	16.9	20.5	14.4	17.3	23.5	18.3	41.9	40.1	36.6	0.0	7.9	24.3	
Mobile MSA	2,699	522,800	19.8	16,149	24.0	6.0	4.6	15.6	19.5	15.8	19.0	21.4	20.8	41.4	47.4	38.6	0.0	5.7	20.2	
Montgomery MSA	3,087	625,031	22.7	16,329	24.5	6.6	5.6	16.1	21.3	16.7	18.2	23.2	19.2	41.2	42.5	35.5	0.0	6.4	23.0	
Non MSA AL	686	81,563	5.0	2,871	27.9	6.1	5.1	17.2	14.0	13.3	18.2	18.8	19.6	36.7	54.7	41.2	0.0	6.4	20.8	
Tuscaloosa MSA	408	93,598	3.0	9,991	22.3	3.9	3.7	15.4	18.6	13.5	17.6	26.0	18.3	44.7	46.1	34.2	0.0	5.4	30.2	
<b>Total</b>	<b>13,622</b>	<b>2,984,076</b>	<b>100.0</b>	<b>156,481</b>	<b>23.7</b>	<b>5.7</b>	<b>5.5</b>	<b>16.0</b>	<b>19.5</b>	<b>15.4</b>	<b>18.2</b>	<b>22.1</b>	<b>19.3</b>	<b>42.2</b>	<b>47.2</b>	<b>38.6</b>	<b>0.0</b>	<b>5.5</b>	<b>21.3</b>	

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 2019-2021**

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	
<b>Full Scope:</b>																				
Daphne-Fairhope-Foley MSA	1,004	105,199	16.3	7,888	0.0	0.0	0.0	19.2	13.3	16.8	59.6	61.0	57.5	21.2	25.7	25.7	0.0	0.0	0.0	
<b>Limited Scope:</b>																				
Auburn-Opelika MSA	296	21,749	4.8	3,506	1.5	2.4	0.7	32.3	24.0	28.6	53.4	60.8	57.0	11.6	12.5	13.0	1.1	0.3	0.7	
Birmingham-Hoover MSA	569	42,508	9.3	23,938	8.0	7.0	7.6	20.6	25.5	17.9	25.1	26.9	23.8	44.8	40.1	49.8	1.5	0.5	0.9	
Huntsville MSA	309	32,928	5.0	9,833	10.4	1.9	11.8	25.4	31.7	22.0	30.0	36.9	30.7	34.2	29.5	35.5	0.0	0.0	0.0	
Mobile MSA	1,310	134,079	21.3	11,529	7.1	5.6	6.7	20.3	15.0	18.3	31.2	26.7	31.2	41.2	52.7	43.8	0.2	0.0	0.0	
Montgomery MSA	874	74,350	14.2	8,644	7.2	3.4	6.4	18.4	13.8	16.6	36.1	42.0	33.8	34.4	37.8	39.8	3.9	3.0	3.4	
Non MSA AL	1,538	101,341	25.0	2,854	4.5	4.1	4.0	27.3	27.7	24.8	49.0	48.1	53.1	19.2	20.1	18.0	0.0	0.0	0.0	
Tuscaloosa MSA	248	18,690	4.0	4,590	1.4	0.4	1.3	24.6	39.9	23.7	37.7	25.4	35.9	33.7	33.5	38.3	2.7	0.8	0.9	
<b>Total</b>	<b>6,148</b>	<b>530,844</b>	<b>100.0</b>	<b>72,782</b>	<b>6.6</b>	<b>3.6</b>	<b>6.2</b>	<b>22.0</b>	<b>21.0</b>	<b>19.4</b>	<b>34.2</b>	<b>41.9</b>	<b>34.2</b>	<b>36.0</b>	<b>33.0</b>	<b>39.4</b>	<b>1.2</b>	<b>0.5</b>	<b>0.8</b>	

Source: 2020 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%

<b>Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues</b>											<b>2019-2021</b>	
<b>Assessment Area:</b>	<b>Total Loans to Small Businesses</b>				<b>Businesses with Revenues &lt;= 1MM</b>			<b>Businesses with Revenues &gt; 1MM</b>		<b>Businesses with Revenues Not Available</b>		
	<b>#</b>	<b>\$</b>	<b>% of Total</b>	<b>Overall Market</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	
<b>Full Scope:</b>												
Daphne-Fairhope-Foley MSA	1,004	105,199	16.3	7,888	86.5	24.4	41.3	3.8	16.4	9.7	59.2	
<b>Limited Scope:</b>												
Auburn-Opelika MSA	296	21,749	4.8	3,506	84.0	26.0	39.8	4.1	15.2	11.9	58.8	
Birmingham-Hoover MSA	569	42,508	9.3	23,938	83.3	23.6	41.5	5.7	12.3	11.1	64.1	
Huntsville MSA	309	32,928	5.0	9,833	84.3	17.2	45.6	4.4	9.7	11.3	73.1	
Mobile MSA	1,310	134,079	21.3	11,529	82.7	22.5	38.4	5.2	21.0	12.1	56.5	
Montgomery MSA	874	74,350	14.2	8,644	81.1	28.4	37.3	4.9	14.3	14.0	57.3	
Non MSA AL	1,538	101,341	25.0	2,384	77.0	32.0	28.9	4.9	14.2	18.1	53.8	
Tuscaloosa MSA	248	18,690	4.0	4,590	83.0	23.8	42.4	5.3	17.7	11.7	58.5	
<b>Total</b>	<b>6,148</b>	<b>530,844</b>	<b>100.0</b>	<b>72,782</b>	<b>83.1</b>	<b>26.1</b>	<b>40.5</b>	<b>5.0</b>	<b>15.8</b>	<b>11.9</b>	<b>58.1</b>	
<i>Source: 2020 D&amp;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%</i>												

<b>Table S - Assessment Area Distribution of Loans to Farms by Income Category of the Geography</b>																			<b>2019-2021</b>		
<b>Assessment Area:</b>	<b>Total Loans to Farms</b>				<b>Low-Income Tracts</b>			<b>Moderate-Income Tracts</b>			<b>Middle-Income Tracts</b>			<b>Upper-Income Tracts</b>			<b>Not Available-Income Tracts</b>				
	<b>#</b>	<b>\$</b>	<b>% of Total</b>	<b>Overall Market</b>	<b>% Farms</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Farms</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Farms</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Farms</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Farms</b>	<b>% Bank Loans</b>	<b>Aggregate</b>		
<b>Full Scope:</b>																					
Daphne-Fairhope-Foley MSA	27	3,100	6.9	92	0.0	0.0	0.0	19.6	7.4	28.3	62.2	85.2	44.6	18.2	7.4	27.2	0.0	0.0	0.0		
<b>Limited Scope:</b>																					
Auburn-Opelika MSA	19	2,126	4.8	39	1.1	0.0	0.0	18.6	5.3	7.7	66.4	84.2	82.1	13.9	10.5	10.3	0.0	0.0	0.0		
Birmingham-Hoover MSA	26	3,199	6.6	114	4.1	3.8	1.8	15.2	46.2	13.2	26.2	30.8	32.5	53.9	19.2	52.6	0.7	0.0	0.0		
Huntsville MSA	30	2,232	7.6	190	5.6	0.0	2.1	27.2	40.0	47.4	37.9	43.3	37.9	29.3	16.7	12.6	0.0	0.0	0.0		
Mobile MSA	23	2,191	5.8	96	4.0	0.0	3.1	9.9	30.4	8.3	42.2	8.7	47.9	43.9	60.9	40.6	0.0	0.0	0.0		
Montgomery MSA	52	2,678	13.2	177	4.2	0.0	2.8	19.6	32.7	31.6	41.0	48.1	41.8	34.6	19.2	23.2	0.5	0.0	0.6		
Non MSA AL	207	21,891	52.5	215	1.1	1.0	0.9	16.5	26.6	18.4	65.4	48.1	68.4	17.0	21.7	12.1	0.0	0.0	0.0		
Tuscaloosa MSA	10	1,845	2.5	53	0.3	0.0	1.9	13.1	40.0	24.5	39.8	20.0	41.5	46.6	40.0	32.1	0.3	0.0	0.0		
<b>Total</b>	<b>394</b>	<b>39,262</b>	<b>100.0</b>	<b>976</b>	<b>3.3</b>	<b>0.8</b>	<b>1.7</b>	<b>18.2</b>	<b>27.9</b>	<b>25.7</b>	<b>42.1</b>	<b>47.8</b>	<b>48.3</b>	<b>36.1</b>	<b>22.1</b>	<b>24.2</b>	<b>0.3</b>	<b>0.0</b>	<b>0.1</b>		
<i>Source: 2021 D&amp;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%</i>																					

<b>Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues</b>											<b>2019-2021</b>	
Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans	
<b>Full Scope:</b>												
Daphne-Fairhope-Foley MSA	27	3,100	6.9	92	94.8	55.6	35.9	2.8	25.9	2.4	18.5	
<b>Limited Scope:</b>												
Auburn-Opelika MSA	19	2,126	4.8	39	94.3	73.7	51.3	2.1	0.0	3.6	26.3	
Birmingham-Hoover MSA	26	3,199	6.6	114	94.9	57.7	38.6	3.1	11.5	2.0	30.8	
Huntsville MSA	30	2,232	7.6	190	96.1	36.7	43.7	2.1	16.7	1.8	46.7	
Mobile MSA	23	2,191	5.8	96	95.1	52.2	63.5	3.5	8.7	1.3	39.1	
Montgomery MSA	52	2,678	13.2	177	95.2	69.2	29.4	2.6	9.6	2.2	21.2	
Non MSA AL	207	21,891	52.5	215	95.1	49.8	31.6	1.8	22.2	3.1	28.0	
Tuscaloosa MSA	10	1,845	2.5	53	97.5	20.0	39.6	1.6	30.0	0.8	50.0	
<b>Total</b>	<b>394</b>	<b>39,262</b>	<b>100.0</b>	<b>976</b>	<b>95.4</b>	<b>52.8</b>	<b>39.1</b>	<b>2.6</b>	<b>18.0</b>	<b>2.0</b>	<b>29.2</b>	
<i>Source: 2020 D&amp;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%</i>												

State of Florida

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2019-2021	
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	
<b>Full Scope:</b>																				
Pensacola-Ferry Pass-Brent MSA	186	51,798	5.6	16,298	2.6	0.0	0.8	20.4	12.9	13.7	53.8	33.9	51.2	23.1	53.2	34.3	0.0	0.0	0.0	
<b>Limited Scope:</b>																				
Crestview-Fort Walton Beach-Destin MSA	897	274,788	27.2	26,714	0.0	0.0	0.0	12.2	6.6	5.5	62.3	29.5	59.4	25.5	63.9	35.1	0.0	0.0	0.0	
Panama City MSA	2,219	398,334	67.2	12,927	2.5	2.4	1.1	13.3	9.4	7.1	52.4	48.9	57.5	31.8	39.3	34.3	0.0	0.0	0.0	
<b>Total</b>	<b>3,302</b>	<b>724,920</b>	<b>100.0</b>	<b>55,939</b>	<b>1.6</b>	<b>1.6</b>	<b>0.5</b>	<b>15.7</b>	<b>8.8</b>	<b>8.3</b>	<b>56.6</b>	<b>42.8</b>	<b>56.6</b>	<b>26.0</b>	<b>46.7</b>	<b>34.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	
<i>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%</i>																				

**Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** **2019-2021**

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
<b>Full Scope:</b>																			
Pensacola-Ferry Pass-Brent MSA	186	51,799	5.6	16,298	20.3	4.3	5.8	20.5	14.5	16.7	22.7	15.6	19.4	36.5	50.0	31.5	0.0	15.6	26.6
<b>Limited Scope:</b>																			
Crestview-Fort Walton Beach-Destin MSA	897	274,788	27.2	26,714	20.3	3.3	3.6	17.9	9.4	12.5	21.5	13.3	15.9	40.3	63.4	41.5	0.0	10.6	26.5
Panama City MSA	2,219	398,334	67.2	12,927	21.1	8.5	3.3	17.7	29.1	11.2	19.9	26.1	17.4	41.3	31.2	44.3	0.0	5.1	23.8
<b>Total</b>	<b>3,302</b>	<b>724,920</b>	<b>100.0</b>	<b>55,939</b>	<b>20.5</b>	<b>6.8</b>	<b>4.2</b>	<b>18.8</b>	<b>22.9</b>	<b>13.4</b>	<b>21.6</b>	<b>22.0</b>	<b>17.3</b>	<b>39.1</b>	<b>41.0</b>	<b>39.2</b>	<b>0.0</b>	<b>7.2</b>	<b>25.9</b>

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%



<b>Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography</b>																				<b>2019-2021</b>		
<b>Assessment Area:</b>	<b>Total Loans to Small Businesses</b>				<b>Low-Income Tracts</b>			<b>Moderate-Income Tracts</b>			<b>Middle-Income Tracts</b>			<b>Upper-Income Tracts</b>			<b>Not Available-Income Tracts</b>					
	<b>#</b>	<b>\$</b>	<b>% of Total</b>	<b>Overall Market</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	<b>Aggregate</b>			
<b>Full Scope:</b>																						
Pensacola-Ferry Pass-Brent MSA	253	32,171	9.9	7,851	3.3	2.0	3.4	26.5	26.9	25.7	50.5	54.9	50.3	19.7	16.2	20.5	0.0	0.0	0.0			
<b>Limited Scope:</b>																						
Crestview-Fort Walton Beach-Destin MSA	1,237	96,694	48.4	10,454	0.0	0.0	0.0	10.2	12.1	9.2	53.2	33.8	49.2	36.7	54.1	41.6	0.0	0.0	0.0			
Panama City MSA	1,067	99,866	41.7	5,980	3.2	2.2	2.6	17.8	17.5	15.6	53.4	56.4	53.5	25.6	23.9	28.4	0.0	0.0	0.0			
<b>Total</b>	<b>2,557</b>	<b>228,731</b>	<b>100.0</b>	<b>24,285</b>	<b>1.9</b>	<b>1.1</b>	<b>1.7</b>	<b>17.9</b>	<b>15.8</b>	<b>16.1</b>	<b>52.2</b>	<b>45.3</b>	<b>50.6</b>	<b>27.9</b>	<b>37.7</b>	<b>31.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>			
<i>Source: 2020 D&amp;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%</i>																						

<b>Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues</b>											<b>2019-2021</b>	
<b>Assessment Area:</b>	<b>Total Loans to Small Businesses</b>				<b>Businesses with Revenues &lt;= 1MM</b>			<b>Businesses with Revenues &gt; 1MM</b>		<b>Businesses with Revenues Not Available</b>		
	<b>#</b>	<b>\$</b>	<b>% of Total</b>	<b>Overall Market</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	
<b>Full Scope:</b>												
Pensacola-Ferry Pass-Brent MSA	253	32,171	9.9	7,851	89.5	11.1	42.5	3.2	24.5	7.3	64.4	
<b>Limited Scope:</b>												
Crestview-Fort Walton Beach-Destin MSA	1,237	96,694	48.4	10,454	90.8	10.2	43.0	2.4	7.8	6.8	82.1	
Panama City MSA	1,067	99,866	41.7	5,980	89.3	10.9	40.8	2.9	12.4	7.8	76.8	
<b>Total</b>	<b>2,557</b>	<b>228,731</b>	<b>100.0</b>	<b>24,285</b>	<b>90.0</b>	<b>10.6</b>	<b>42.3</b>	<b>2.8</b>	<b>11.3</b>	<b>7.2</b>	<b>78.1</b>	
<i>Source: 2020 D&amp;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%</i>												

**Table S - Assessment Area Distribution of Loans to Farms by Income Category of the Geography** **2019-2021**

Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	
<b>Full Scope:</b>																				
Pensacola-Ferry Pass-Brent MSA	8	1,812	21.6	39	3.4	0.0	0.0	19.9	0.0	5.1	59.2	87.5	84.6	17.5	12.5	10.3	0.0	0.0	0.0	
<b>Limited Scope:</b>																				
Crestview-Fort Walton Beach-Destin MSA	14	1,858	37.8	77	0.0	0.0	0.0	15.1	7.1	23.4	60.7	7.1	46.8	24.2	85.7	29.9	0.0	0.0	0.0	
Panama City MSA	15	1,388	40.5	32	3.1	0.0	0.0	15.2	0.0	0.0	54.1	73.3	78.1	27.6	26.7	21.9	0.0	0.0	0.0	
<b>Total</b>	<b>37</b>	<b>5,058</b>	<b>100.0</b>	<b>148</b>	<b>2.1</b>	<b>0.0</b>	<b>0.0</b>	<b>17.1</b>	<b>2.7</b>	<b>13.5</b>	<b>58.7</b>	<b>51.4</b>	<b>63.5</b>	<b>22.1</b>	<b>45.9</b>	<b>23.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	

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%

<b>Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues</b>											<b>2019-2021</b>	
<b>Assessment Area:</b>	<b>Total Loans to Farms</b>				<b>Farms with Revenues &lt;= 1MM</b>			<b>Farms with Revenues &gt; 1MM</b>		<b>Farms with Revenues Not Available</b>		
	<b>#</b>	<b>\$</b>	<b>% of Total</b>	<b>Overall Market</b>	<b>% Farms</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Farms</b>	<b>% Bank Loans</b>	<b>% Farms</b>	<b>% Bank Loans</b>	
<b>Full Scope:</b>												
Pensacola-Ferry Pass-Brent MSA	8	1,812	21.6	39	98.4	62.5	48.7	0.8	0.0	0.8	37.5	
<b>Limited Scope:</b>												
Crestview-Fort Walton Beach-Destin MSA	14	1,858	37.8	77	97.2	50.0	41.6	1.4	7.1	1.5	42.9	
Panama City MSA	15	1,388	40.5	32	97.4	26.7	34.4	1.0	13.3	1.6	60.0	
<b>Total</b>	<b>37</b>	<b>5,058</b>	<b>100.0</b>	<b>148</b>	<b>97.7</b>	<b>43.2</b>	<b>41.9</b>	<b>1.1</b>	<b>8.1</b>	<b>1.2</b>	<b>48.6</b>	
<i>Source: 2020 D&amp;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%</i>												

## State of Mississippi

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2019-2021	
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	
<b>Full Scope:</b>																				
MS Non-MSA	3,474	532,646	22.7	16,958	2.7	1.0	0.8	12.8	6.5	6.3	50.7	39.8	43.5	33.7	52.6	49.1	0.0	0.1	0.2	
<b>Limited Scope:</b>																				
Gulfport-Biloxi MSA	896	140,288	5.8	8,493	5.9	2.1	2.2	7.9	8.9	8.0	72.0	72.5	70.0	14.1	16.4	19.8	0.1	0.0	0.0	
Hattiesburg MSA	1,785	281,609	11.6	7,715	5.0	2.0	2.2	10.0	4.2	5.6	53.4	48.0	48.1	31.7	45.8	44.1	0.0	0.0	0.0	
Jackson MSA	9,183	1,671,056	59.9	24,804	3.9	0.7	0.7	20.0	7.6	8.3	33.4	27.8	28.1	42.7	64.0	63.0	0.0	0.0	0.0	
<b>Total</b>	<b>15,338</b>	<b>2,625,600</b>	<b>100.0</b>	<b>57,970</b>	<b>3.8</b>	<b>1.0</b>	<b>1.2</b>	<b>14.7</b>	<b>7.0</b>	<b>7.3</b>	<b>46.7</b>	<b>35.5</b>	<b>41.4</b>	<b>34.8</b>	<b>56.5</b>	<b>50.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	

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** **2019-2021**

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
<b>Full Scope:</b>																			
MS Non-MSA	3,474	532,646	22.7	16,958	23.2	2.4	2.6	15.5	11.9	10.8	16.8	18.7	16.8	44.6	57.0	51.0	0.0	10.0	18.8
<b>Limited Scope:</b>																			
Gulfport-Biloxi MSA	896	140,288	5.8	8,493	25.7	6.8	3.0	16.9	21.7	11.1	19.2	21.9	18.8	38.3	34.0	40.2	0.0	15.6	26.8
Hattiesburg MSA	1,785	281,609	11.6	7,715	23.4	4.0	3.3	15.7	19.0	12.8	18.8	20.7	18.3	42.1	45.9	44.9	0.0	10.4	20.7
Jackson MSA	9,183	1,671,057	59.9	24,804	22.9	4.3	4.4	16.6	15.6	13.4	17.5	19.4	18.5	43.0	46.3	41.4	0.0	14.4	22.4
<b>Total</b>	<b>15,338</b>	<b>2,625,600</b>	<b>100.0</b>	<b>57,970</b>	<b>23.4</b>	<b>4.0</b>	<b>3.5</b>	<b>16.1</b>	<b>15.5</b>	<b>12.2</b>	<b>17.6</b>	<b>19.5</b>	<b>18.0</b>	<b>42.9</b>	<b>48.0</b>	<b>44.5</b>	<b>0.0</b>	<b>13.0</b>	<b>21.7</b>

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%

<b>Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography</b>																			<b>2019-2021</b>		
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		
<b>Full Scope:</b>																					
MS Non MSA	3,189	217,326	27.7	13,449	4.8	3.1	3.8	17.4	20.5	16.1	43.8	51.2	45.6	33.5	25.2	34.3	0.5	0.0	0.2		
<b>Limited Scope:</b>																					
Gulfport-Biloxi MSA	244	24,528	2.1	5,615	10.8	8.6	10.5	12.6	6.6	11.9	65.1	72.1	64.4	10.9	12.7	12.8	0.6	0.0	0.4		
Hattiesburg MSA	1,124	96,221	9.7	5,656	13.4	12.1	9.8	8.9	6.9	7.8	50.3	47.7	51.9	27.4	33.3	30.5	0.0	0.0	0.0		
Jackson MSA	6,976	635,605	60.5	18,779	5.2	4.9	4.6	21.7	24.1	19.1	31.2	33.6	31.5	41.8	37.5	44.8	0.1	0.0	0.0		
<b>Total</b>	<b>11,533</b>	<b>973,680</b>	<b>100.0</b>	<b>43,499</b>	<b>6.7</b>	<b>5.2</b>	<b>5.8</b>	<b>17.7</b>	<b>21.0</b>	<b>15.8</b>	<b>41.5</b>	<b>40.6</b>	<b>42.8</b>	<b>33.8</b>	<b>33.2</b>	<b>35.6</b>	<b>0.3</b>	<b>0.0</b>	<b>0.1</b>		

Source: 2020 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%

<b>Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues</b>											<b>2019-2021</b>	
<b>Assessment Area:</b>	<b>Total Loans to Small Businesses</b>				<b>Businesses with Revenues &lt;= 1MM</b>			<b>Businesses with Revenues &gt; 1MM</b>		<b>Businesses with Revenues Not Available</b>		
	<b>#</b>	<b>\$</b>	<b>% of Total</b>	<b>Overall Market</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	
<b>Full Scope:</b>												
MS Non MSA	3,189	217,326	27.7	13,449	82.8	40.8	40.0	4.2	15.0	13.0	44.2	
<b>Limited Scope:</b>												
Gulfport-Biloxi MSA	244	24,528	2.1	5,615	84.5	23.8	40.9	3.3	13.5	12.2	62.7	
Hattiesburg MSA	1,124	96,221	9.7	5,656	83.8	30.7	42.5	4.1	17.1	12.1	52.2	
Jackson MSA	6,976	635,605	60.5	18,779	86.5	23.4	35.7	3.7	15.4	9.8	61.3	
<b>Total</b>	<b>11,533</b>	<b>973,680</b>	<b>100.0</b>	<b>43,499</b>	<b>84.7</b>	<b>28.9</b>	<b>38.6</b>	<b>3.9</b>	<b>15.4</b>	<b>11.4</b>	<b>55.7</b>	
<i>Source: 2020 D&amp;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%</i>												



<b>Table S - Assessment Area Distribution of Loans to Farms by Income Category of the Geography</b>																			<b>2019-2021</b>		
Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts				
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate		
<b>Full Scope:</b>																					
MS Non MSA	818	49,180	52.1	1,057	2.6	0.0	0.9	16.8	12.7	13.7	50.5	67.2	59.6	29.8	20.0	25.8	0.3	0.0	0.0		
<b>Limited Scope:</b>																					
Gulfport-Biloxi MSA	11	1,867	0.7	113	5.9	18.2	13.3	5.9	0.0	8.0	71.9	63.6	54.9	16.3	9.1	21.2	0.0	9.1	2.7		
Hattiesburg MSA	115	8,811	7.3	183	2.1	0.0	0.5	5.5	1.7	4.4	56.9	51.3	66.7	35.5	47.0	28.4	0.0	0.0	0.0		
Jackson MSA	626	48,279	39.9	574	1.8	0.0	0.0	15.5	37.1	26.5	33.7	42.5	40.8	49.0	20.4	32.8	0.1	0.0	0.0		
<b>Total</b>	<b>1,570</b>	<b>108,137</b>	<b>100.0</b>	<b>1,927</b>	<b>2.4</b>	<b>0.1</b>	<b>1.3</b>	<b>14.3</b>	<b>21.5</b>	<b>16.3</b>	<b>45.6</b>	<b>56.2</b>	<b>54.4</b>	<b>37.5</b>	<b>22.1</b>	<b>27.9</b>	<b>0.1</b>	<b>0.1</b>	<b>0.2</b>		
<i>Source: 2021 D&amp;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%</i>																					

<b>Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues</b>											<b>2019-2021</b>	
Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans	
<b>Full Scope:</b>												
MS Non MSA	818	49,180	52.1	1,057	96.4	75.8	53.0	1.8	9.4	1.8	14.8	
<b>Limited Scope:</b>												
Gulfport-Biloxi MSA	11	1,867	0.7	113	97.4	36.4	48.7	0.3	36.4	2.3	27.3	
Hattiesburg MSA	115	8,811	7.3	183	96.3	60.0	48.6	2.1	29.6	1.6	10.4	
Jackson MSA	626	48,279	39.9	574	97.4	68.7	57.0	1.0	11.3	1.6	20.0	
<b>Total</b>	<b>1,570</b>	<b>108,137</b>	<b>100.0</b>	<b>1,927</b>	<b>96.9</b>	<b>71.5</b>	<b>53.5</b>	<b>1.4</b>	<b>11.8</b>	<b>1.7</b>	<b>16.6</b>	
<i>Source: 2020 D&amp;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%</i>												

State of Texas

<b>Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography</b>																				<b>2019-2021</b>		
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			
Houston MSA	650	252,479	100.0	221,747	6.3	1.8	3.3	22.9	10.9	12.3	27.6	19.2	25.6	43.1	68.0	58.7	0.1	0.0	0.1			
<b>Total</b>	<b>650</b>	<b>252,479</b>	<b>100.0</b>	<b>221,747</b>	<b>6.3</b>	<b>1.8</b>	<b>3.3</b>	<b>22.9</b>	<b>10.9</b>	<b>12.3</b>	<b>27.6</b>	<b>19.2</b>	<b>25.6</b>	<b>43.1</b>	<b>68.0</b>	<b>58.7</b>	<b>0.1</b>	<b>0.0</b>	<b>0.1</b>			

*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%*

<b>Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower</b>																				<b>2019-2021</b>		
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			
Houston MSA	650	252,479	100.0	221,747	25.7	2.6	2.7	16.4	10.3	12.4	16.9	13.2	18.7	41.0	68.2	43.8	0.0	5.7	22.4			
<b>Total</b>	<b>650</b>	<b>252,479</b>	<b>100.0</b>	<b>221,747</b>	<b>25.7</b>	<b>2.6</b>	<b>2.7</b>	<b>16.4</b>	<b>10.3</b>	<b>12.4</b>	<b>16.9</b>	<b>13.2</b>	<b>18.7</b>	<b>41.0</b>	<b>68.2</b>	<b>43.8</b>	<b>0.0</b>	<b>5.7</b>	<b>22.4</b>			

*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** **2019-2021**

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
Houston MSA	1,333	205,008	100.0	194,747	10.9	9.8	11.0	18.8	19.5	19.5	21.5	26.9	23.3	48.7	43.7	46.1	0.2	0.1	0.2
<b>Total</b>	<b>1,333</b>	<b>205,008</b>	<b>100.0</b>	<b>194,747</b>	<b>10.9</b>	<b>9.8</b>	<b>11.0</b>	<b>18.8</b>	<b>19.5</b>	<b>19.5</b>	<b>21.5</b>	<b>26.9</b>	<b>23.3</b>	<b>48.7</b>	<b>43.7</b>	<b>46.1</b>	<b>0.2</b>	<b>0.1</b>	<b>0.2</b>

Source: 2020 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 R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues** **2019-2021**

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
Houston MSA	1,333	205,008	100.0	194,747	87.8	12.5	41.7	4.7	15.6	7.6	71.9
<b>Total</b>	<b>1,333</b>	<b>205,008</b>	<b>100.0</b>	<b>194,747</b>	<b>87.8</b>	<b>12.5</b>	<b>41.7</b>	<b>4.7</b>	<b>15.6</b>	<b>7.6</b>	<b>71.9</b>

Source: 2020 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%

<b>Table S - Assessment Area Distribution of Loans to Farms by Income Category of the Geography</b>																			<b>2019-2021</b>		
Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts				
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate		
Houston MSA	21	6,132	100.0	662	6.6	0.0	3.8	17.2	38.1	16.2	25.5	28.6	27.9	50.5	33.3	52.0	0.1	0.0	0.2		
<b>Total</b>	<b>21</b>	<b>6,132</b>	<b>100.0</b>	<b>662</b>	<b>6.6</b>	<b>0.0</b>	<b>3.8</b>	<b>17.2</b>	<b>38.1</b>	<b>16.2</b>	<b>25.5</b>	<b>28.6</b>	<b>27.9</b>	<b>50.5</b>	<b>33.3</b>	<b>52.0</b>	<b>0.1</b>	<b>0.0</b>	<b>0.2</b>		

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%

<b>Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues</b>												<b>2019-2021</b>	
Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available			
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans		
Houston MSA	21	6,132	100.0	662	94.9	42.9	57.9	2.7	14.3	2.4	42.9		
<b>Total</b>	<b>21</b>	<b>6,132</b>	<b>100.0</b>	<b>662</b>	<b>94.9</b>	<b>42.9</b>	<b>57.9</b>	<b>2.7</b>	<b>14.3</b>	<b>2.4</b>	<b>42.9</b>		

Source: 2020 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%