



## **PUBLIC DISCLOSURE**

February 22, 2021

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

The Citizens National Bank  
Charter Number: 7266

512 22nd Avenue  
Meridian, MS 39301

Office of the Comptroller of the Currency

3595 Grandview Parkway,  
Suite 655  
Birmingham, AL 35243

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

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## Overall CRA Rating

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

The following table indicates the performance level of The Citizens National Bank of Meridian (CNB or Bank) with respect to the Lending, Investment, and Service Tests:

Performance Levels	The Citizens National Bank Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding		X	
High Satisfactory	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 Lending Test rating is High Satisfactory. A high percentage of the Bank's loans are in its assessment area (AA). The geographic distribution of loans is good. The distribution of loans by income level is adequate.
- The Investment Test rating is Outstanding. Qualified investments consist of equity investments, grants, and donations. CNB has an excellent level of qualified community development (CD) investment and grants, often in a leadership position, particularly those that are not routinely provided by private investors.
- The Service Test rating is High Satisfactory. CNB's retail delivery systems are reasonably accessible to geographies and borrowers of different income levels including low- and moderate-income (LMI) areas and individuals. The level of CD services provided is excellent.

During the review period, CNB invested in certificates of deposits in three minority- and women-owned financial institutions or low-income credit unions (MWLI), totaling \$250 thousand. The CRA recognizes the importance of encouraging the growth and strengthening of MWLIs.

We did not consider the investments innovative or flexible in nature, but they were responsive to the credit needs and supported community development services targeted to LMI individuals in the local communities in which the MWLI is chartered.

In addition, CNB obtained \$1.4 million in current period investments outside of the AAs, but within the state of Mississippi. These investments consisted of Mississippi school district bonds to fund capital projects and improvements that benefit LMI individuals.

## Paycheck Protection Program (PPP), Federal Home Loan Bank (FHLB), and Community Development Financial Institution (CDFI)

CNB granted 1,218 PPP loans totaling \$102.5 million for the first round of PPP loans, almost all within a three-week period. To accommodate this PPP activity, CNB established teams working around the clock. As a result of these efforts, CNB helped their clients save over 14,200 local jobs. The bank established their own PPP Loan Portal to guide their clients through the forgiveness process.

The Special Needs Assistance Rehabilitation Program (SNAP) is an affordable housing program (AHP) fund established by the FHLB Dallas. SNAP provides grant funds for the repair and rehabilitation of owner-occupied housing of eligible, special-needs individuals. The Bank provided 14 SNAP grants totaling \$71 thousand to eligible individuals. The Bank provided 16 FHLB Homebuyer Equity Leverage Partnership (HELP) grants totaling \$141.5 thousand to help families in need. The Bank awarded one FHLB Pretty Good Privacy grant for \$12 thousand. The Bank also helped with five Project Reinvest programs in partnership with Renaissance Community Loan Fund in the amount of \$52.5 thousand.

CNB is a certified CDFI. As a CDFI, the Bank has received financial assistance grants (FA Grants) and has received Bank Enterprise Awards (BEA Awards) for its community development efforts. FA Grants totaled \$2.4 million, and the BEA Awards totaled \$682 thousand.

## Lending in Assessment Area

A high percentage of the Bank's loans are in its AA.

The Bank originated and purchased 84 percent of its total loans inside the Bank's AAs during the evaluation period. This analysis is performed at the Bank, rather than the AA, level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria. The following table reflects the distribution of loans, by number and dollar volume, originated in or out of the AA during the evaluation period.

<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	1,255	84.2	236	15.8	1,491	248,112	79.3	64,880	20.7	312,992
Small Business	2,469	84.1	468	15.9	2,937	332,449	80.4	81,098	19.6	413,547
Total	3,724	84.1	704	15.9	4,428	580,561	79.9	145,978	20.1	726,539

## Description of Institution

The Citizens National Bank of Meridian is an intrastate financial institution headquartered in Meridian, Mississippi. CNB is wholly owned by Citizens National Banc Corporation, a one bank holding company also headquartered in Meridian, Mississippi. Both CNB and Citizens National Banc

Corporation are certified CDFIs and have been since 2014. At December 31, 2020, CNB accounted for 99.4 percent of the holding company's assets.

At December 31, 2020, CNB had total assets of \$1.6 billion and deposits of \$1.34 billion. Tier 1 capital was \$167.6 million. The Bank provides a variety of deposit services and loan products. Deposit services include checking, savings, and money market accounts. Alternative banking services include internet banking, mobile banking, electronic bill pay, and automated teller machines at each office location. Loan products include home mortgage, commercial, agricultural, and consumer loans, with a primary focus on commercial lending. At December 31, 2020, CNB's loan portfolio was comprised as follows: 58 percent commercial loans, 31.2 percent residential real estate loans, 6.3 percent construction and land development loans, 2 percent consumer loans, and 4.5 percent all other loans. Total loans of \$1.04 billion represented 65.1 percent of total assets.

CNB has 27 banking offices, 24 automated teller machines (ATMs), and three remote ATMs located in four AAs throughout Mississippi. During this evaluation period, CNB had no merger or acquisition activity. CNB opened one branch during the assessment period in DeSoto County, Mississippi. There were no branch closings.

CNB has four AAs consisting of whole Metropolitan Statistical Areas (MSAs) or contiguous counties. The last CRA examination was March 20, 2018, with a composite rating of Satisfactory. There are no legal, financial, or other factors impeding the Bank's ability to help meet the credit needs of its AA during the evaluation period.

## **Scope of the Evaluation**

### **Evaluation Period/Products Evaluated**

The evaluation period is January 1, 2018, through December 31, 2020. This performance evaluation assesses the Bank's performance under the Lending, Investment, and Service Tests. In evaluating the Bank's lending performance, we reviewed one- to four-family home mortgage loans subject to filing under the Home Mortgage Disclosure Act (HMDA) and loans to small businesses as reported under the CRA. CD activities evaluated include all loans, investments, and services that meet the regulatory definition. We also evaluated CD investments including donations as well as retail services and CD services.

For Geographic and Borrower Distribution analyses, CNB's loan originations are compared to the 2015 American Community Survey (ACS) Census data and aggregate HMDA data and CRA data.

### **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 AAs located within the same 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. CNB operates in one state, and the state rating is based on performance in all of the Bank’s AAs with the most weight placed on lending performance in the nine county non-MSA AA.

During the evaluation period, CNB made 2,937 (65 percent of total loans made during the evaluation period) small loans to businesses and 1,491 (33 percent of total loans made during the evaluation period) home mortgage loans. Therefore, we gave more weight to small loans to businesses. Agricultural loans represent less than 1 percent of the total reportable loans: therefore, we did not perform an analysis of this product. The community contact made during the evaluation period expressed a need for small business lending and affordable housing in the area.

We weighted the Bank’s performance of HMDA mortgage loans higher than multi- family loans. Multi-family loans represented less than 2 percent of reportable loans, and a separate analysis of this would not be meaningful. However, we discuss many of these multi-family loans in the CD loan section of the performance evaluation.

The state rating is based on performance in all Bank AAs. Refer to the “Scope” section under the State 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 CFR 25.28(c) or 195.28(c), “Community Reinvestment Act and Interstate Deposit Protection Regulations” or “Community Reinvestment Act”, respectively, 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 Bureau of Consumer Financial Protection, as applicable.

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

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.

## State Rating

### State of Mississippi

**CRA rating for the State of Mississippi:** Satisfactory

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

**The Investment Test is rated:** Outstanding

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

The major factors that support this rating include:

- CNB's distribution of loans inside/outside AA is good. CNB originated a high percentage of the loans made during the evaluation period inside the Bank's AA.
- Overall, the geographic distribution of small loans to businesses is excellent in both LMI census tracts (CTs).
- The distribution of loans to businesses with annual revenues of \$1 million or less is excellent.
- The geographic distribution of home mortgage loans was adequate.
- The distribution of home mortgage loans to LMI families was adequate.
- CD lending had a positive impact on the overall lending test for both full-scope and limited-scope AAs.
- Service delivery systems are reasonably accessible to all portions of the AA, commensurate with the size and scope of Bank operations.
- The Bank's Investment performance is excellent.

### Description of Institution's Operations in Mississippi

CNB is primarily a commercial lender. At December 31, 2020, CNB's loan portfolio was comprised as follows: 58 percent commercial loans, 31.2 percent residential real estate loans, 6.3 percent construction and land development loans, 2 percent consumer loans, and 4.5 percent all other loans. Total loans of \$1.04 billion represented 65.1 percent of total assets. Tier 1 capital was \$167.6 million.

CNB has 27 banking offices, 24 ATMs, and three remote ATMs located in four AAs throughout Mississippi; combined, 29.6 percent of the banking offices and ATMS reside in a LMI CTs. Ten of the branches are also open on Saturdays. Four branches are open until 6 p.m. on weekdays. CNB also has 42 branded ATMs located in CEFCO, Shell, or Texaco convenience stores throughout Mississippi and Alabama. These CNB branded ATMs provide an extended service to bank customers providing them access to bank deposit funds without incurring fees.

During the majority of the evaluation period, CNB did not retain a majority of its longer term, fixed-rate residential mortgage loans. The Bank accepts these loan applications from loan applicants and forwards them to secondary market investors (investors) for the underwriting and approval. In 2018, investors

funded 174 loans totaling \$29.6 million in mortgage loans. In 2019, these loans increased to 239 loans for a total volume of \$45 million. In 2020, during the midst of a global pandemic, these numbers increased to 347 for an amount of \$71.5 million in mortgage loans. These loans are not included on CNB's HMDA Loan Activity Register (LAR), though CNB initiated the application process. Recently, CNB initiated the full underwriting process; subsequently, these loans will be included in HMDA LAR reporting going forward.

CNB has four AAs. The largest AA consists of nine non-MSA counties located in Mississippi, which are Attala, Clarke, Jones, Lauderdale, Leake, Lowndes, Neshoba, Noxubee, and Wayne. CNB is headquartered in Lauderdale County. CNB has 18 of its 27 branches and \$1.05 billion in deposits in the non-MSA AA, representing 78 percent of the Bank's total deposit base. As of June 30, 2020, there were 20 financial service providers with branches in the non-MSA AA. CNB had a 15.5 percent market share in the nine county non-MSA. The five largest competitors in the AA include Trustmark National Bank, First State Bank, Regions Bank, Community Bank, and The Citizens Bank of Philadelphia.

CNB's other three AAs include the Hattiesburg MSA, the Jackson MSA, and a portion of the Memphis MSA. The Memphis MSA includes connecting counties in both Tennessee and Mississippi; CNB has branches located only in the Mississippi portion of the AA; therefore, this AA only includes those CTs in the Memphis MSA that are located in Mississippi. CNB operates three banking offices in this Memphis AA. CNB's four AAs meet the requirements of the regulation, and do not arbitrarily exclude any areas including LMI geographies.

A summary of CNB's market share of deposits in the remaining three AA as of June 30, 2020, is as follows:

- Jackson MSA - \$132.2 million in deposits or 0.99 percent of MSA deposits and ranked 14<sup>th</sup> of 51 financial institutions. These deposits represent 9.8 percent of CNB's total deposits at December 31, 2020.
- Hattiesburg MSA - \$104.2 million in deposits or 3.7 percent of the MSA deposits and ranked 6<sup>th</sup> of 20 financial institutions. These deposits represent 7.8 percent of CNB's total deposits at December 31, 2020. .
- Memphis MSA - \$48.7 million in deposits or 2.04 percent of MSA deposits and ranked 12<sup>th</sup> of 20 financial institutions. These deposits represent 3.6 percent of CNB's total deposits at December 31, 2020.

The banking industry is modestly competitive in the state of Mississippi. As of June 30, 2020, CNB's statewide deposits totaled \$1.34 billion. With a deposit market share of 2.1 percent, CNB ranked 8<sup>th</sup> among 91 financial institutions in Mississippi.

One community contact was obtained. The telephone contact was from an agency working to meet housing needs. The contact noted the community credit needs were small business loans and home mortgage loans.

The following tables depict the demographic information for the two full-scope AAs in Mississippi:



<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: 9 County Non-MSA AA 2020</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)	76	7.9	19.7	43.4	27.6	1.3
Population by Geography	327,757	6.8	15.8	46.7	30.7	0.0
Housing Units by Geography	143,518	6.7	15.2	46.7	31.4	0.0
Owner-Occupied Units by Geography	85,639	4.0	11.7	49.2	35.1	0.0
Occupied Rental Units by Geography	36,579	12.2	23.5	39.3	25.1	0.0
Vacant Units by Geography	21,300	7.9	15.1	49.6	27.4	0.0
Businesses by Geography	19,587	9.8	19.9	42.6	27.7	0.0
Farms by Geography	780	2.1	10.1	55.6	32.2	0.0
Family Distribution by Income Level	83,765	22.9	15.8	17.3	44.0	0.0
Household Distribution by Income Level	122,218	24.3	15.2	15.3	45.2	0.0
Median Family Income Non-MSAs - MS		\$43,897	Median Housing Value			\$90,499
			Median Gross Rent			\$637
			Families Below Poverty Level			19.6%
<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>						

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Jackson MSA 2020</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)	100	16.0	27.0	22.0	34.0	1.0
Population by Geography	427,743	11.1	20.7	26.9	40.2	1.1
Housing Units by Geography	176,155	11.5	21.3	27.9	39.2	0.0
Owner-Occupied Units by Geography	100,325	6.0	14.6	27.2	52.1	0.0
Occupied Rental Units by Geography	56,290	17.0	29.7	31.5	21.8	0.0
Vacant Units by Geography	19,540	24.0	31.2	21.4	23.3	0.1
Businesses by Geography	41,667	6.8	17.7	27.6	47.8	0.1
Farms by Geography	1,079	2.7	10.7	21.1	65.4	0.1
Family Distribution by Income Level	106,429	22.1	16.0	17.6	44.3	0.0
Household Distribution by Income Level	156,615	24.1	14.9	15.9	45.1	0.0
Median Family Income MSA - 27140 Jackson, MS MSA		\$55,459	Median Housing Value			\$139,959
			Median Gross Rent			\$828
			Families Below Poverty Level			14.2%
<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>						

## Scope of Evaluation in Mississippi

We completed full-scope reviews of the nine county non-MSA AA and the Jackson MSA AA. These two AAs comprise more than 50 percent of the reportable loans, more than 50 percent of the Bank's branches, and more than 50 percent of the Bank's deposits. Please refer to the table in Appendix A for more information. CNB's delineated non-MSA AAs within the same state are combined, analyzed, and presented as one AA for purposes of this evaluation.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MISSISSIPPI

### LENDING TEST

The Bank's performance under the Lending Test in Mississippi is rated High Satisfactory. Based on a full-scope review, the Bank's performance in the nine county non-MSA AA is good and the performance in the Jackson MSA AA is also good. The limited-scope areas were reflective of the full-scope areas.

### Conclusions for the Nine County Non-MSA AA and Jackson MSA AA Receiving Full-Scope Reviews

Based on a full-scope review, the bank's performance in the nine county non-MSA AA is good.

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

### Lending Activity

Lending levels reflect good responsiveness to AA credit needs.

Number of Loans*						
Assessment Area	Home Mortgage	Small Business	Community Development	Total	% State Loans	% State Deposits
9 county non-MSA	763	1,596	15	2,374	53.63	78.60
Jackson MSA	230	451	14	695	23.14	9.85
Hattiesburg MSA	214	330	11	555	18.48	7.86
Memphis MSA	48	92	3	143	4.75	3.69
Total	1,255	2,469	43	3,767	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	Community Development	Total	% State* Loans	% State Deposits
9 county non-MSA	\$116,182	\$190,698	\$17,917	\$324,797	50.26	78.60
Jackson MSA	\$ 65,879	\$ 86,489	\$17,701	\$170,069	26.32	9.85
Hattiesburg MSA	\$ 57,312	\$ 39,622	\$14,493	\$111,427	17.24	7.86
Memphis MSA	\$ 8,739	\$ 15,640	\$15,563	\$ 39,942	6.18	3.69
Total	\$248,112	\$332,449	\$65,674	\$646,235	100	100

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

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

The Bank exhibits a good geographic distribution of loans in its AAs.

### ***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.

#### Nine County Non-MSA AA

CNB's geographic distribution of home mortgage loans within the nine county non-MSA AA is good. In 2018-2020, CNB's mortgage lending in low-income tracts was below the percentage of owner-occupied housing units and was consistent with the aggregate lending ratio in low-income geographies. For moderate-income tracts, CNB's lending was below the percentage of owner-occupied housing units and exceeded the aggregate lending ratio in those geographies.

#### Jackson MSA AA

The Bank's geographic distribution of home mortgage loans within the Jackson MSA AA is adequate for LMI CTs.

In 2018-2020, CNB's mortgage lending in low-income tracts was below the percentage of owner-occupied housing units and was consistent with the aggregate lending ratio in low-income geographies. For moderate-income tracts, CNB's lending was below the percentage of owner-occupied housing units and below the aggregate lending ratio in those geographies. This determination for adequate was impacted by the low percentage of AA deposits wherein CNB has only 0.99 percent of the AA deposits and ranked 14<sup>th</sup> of 51 area banks. Additionally, the Jackson MSA AA is a small component of the Bank with 15.43 percent of total Bank loans and 9.8 percent of Bank deposits.

### ***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.

#### Nine County Non-MSA AA

CNB's geographic distribution of small business loans within the nine county non-MSA AA is excellent. In 2018-2020, CNB's small business lending in low-income tracts exceeded both the percentage of businesses located in low-income geographies and the aggregate lending ratio in low-income geographies. In moderate-income tracts, CNB's small business lending exceeded both the percentage of businesses located in low-income geographies and the aggregate lending ratio in low-income geographies.

#### Jackson MSA AA

CNB's geographic distribution of small business loans within the Jackson MSA AA is adequate. In 2018-2020, CNB's small business lending in low-income tracts was below both the percentage of

businesses located in low-income geographies and the aggregate lending in low-income geographies. In moderate-income tracts, CNB's small business lending was below both the percentage of businesses located in low-income geographies and the aggregate lending ratio in low-income geographies. This determination for adequate was impacted by the low percentage of AA deposits wherein CNB has only 0.99 percent of the AA deposits and ranked 14<sup>th</sup> of 51 area banks. Additionally, the Jackson MSA AA is a small component of the Bank with 15.43 percent of total Bank loans and 9.8 percent of Bank deposits.

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

We reviewed reports detailing CNB's lending activity over the evaluation period for home mortgage loan products and small loans to businesses to identify gaps in the geographic distribution of these loans. We did not identify any unexplained, conspicuous gaps.

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

The Bank exhibits 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.

#### Nine County Non-MSA AA

CNB's borrower's income distribution of home mortgage loan lending within the nine county non-MSA AA is good. In 2018-2020, CNB's mortgage lending to low-income borrowers was below the percentage of families identified as low-income but exceeded the aggregate lending ratio to low-income borrowers. For moderate-income borrowers, the Bank's mortgage lending was lower than the percentage of families identified as moderate-income but exceeded aggregate lending ratio to moderate-income borrowers.

#### Jackson MSA AA

CNB's borrower's income distribution of home mortgage loan lending within the Jackson MSA AA is adequate. In 2018-2020, CNB's mortgage lending to low-income borrowers was below both the percentage of families identified as low-income and the aggregate lending ratio to low-income borrowers. For moderate-income borrowers, the Bank's mortgage lending was below both the percentage of families identified as low-income and below the aggregate lending ratio to moderate-income borrowers.

CNB's home mortgage lending was impacted by the fact that CNB did not retain a majority of its longer term, fixed-rate residential mortgage loans during the majority of the evaluation period. The Bank accepts these loan applications from loan applicants and forwards them to secondary market investors (investors) for the underwriting and approval. In 2018, investors funded 174 loans totaling \$29.6 million in mortgage loans. In 2019, these loans increased to 239 loans for a total volume of \$45 million. In 2020, during the midst of a global pandemic, these numbers increased to 347 for an amount of \$71.5 million in mortgage loans. These loans are not included on CNB's HMDA LAR, though CNB initiated

the application process. Recently, CNB initiated the full underwriting process; subsequently, these loans will be included in HMDA LAR reporting going forward.

### ***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.

#### Nine County Non-MSA AA

CNB's income distribution of loans to businesses with revenues less than or equal to \$1 million within the nine county non-MSA AA is good. In 2018-2020, CNB's loans to businesses with revenues less than or equal to \$1 million was lower than the percentage of businesses identified as having revenues less than or equal to \$1 million and exceeded the aggregate lending ratio to these businesses.

#### Jackson MSA AA

CNB's income distribution of loans to businesses with revenues less than or equal to \$1 million within the Jackson MSA AA is good. In 2018-2020, CNB's loans to businesses with revenues less than or equal to \$1 million was lower than the percentage of businesses identified as having revenues less than or equal to \$1 million and exceeded the aggregate lending ratio to these businesses.

### **Community Development Lending**

CNB is a leader in making CD loans.

The Lending Activity Tables, shown above on page 10, set forth the information and data used to evaluate CNB's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

CNB's bank-wide Community Development Lending is excellent. Each of the four AAs granted CD loans in an excellent manner.

#### Nine County Non-MSA AA

During the assessment period, CNB initiated a total of 15 community development loans in the amount of \$17.9 million in the nine county non-MSA, which is rated as excellent. Examples include the following:

- A loan to purchase and rehab a 32-unit apartment complex located in a moderate-income CT. This affordable housing complex leases are provided to LMI individuals at rates below the fair market value.
- A loan to finance the construction and permanent financing of a dental clinic that primarily services Medicaid recipients.
- A loan to a local community college. The loan funds were used to finance the addition to the college's workforce development center. The workforce development center provides LMI with new and upgraded marketable skills.

Jackson MSA AA

During the assessment period, CNB initiated a total of 14 community development loans in the amount of \$17.7 million in the Jackson MSA, which is rated as excellent. Examples include the following:

- A loan to purchase and renovate a building located in a moderate-income CT. The building will also create new jobs in the area.
- A loan to renovate an apartment complex along with a single-family residence located in a low-income CT. The apartments and residence are rented at rates below the fair market value.
- A loan to purchase a 24-unit apartment complex. The property is located in a low-income CT that has been targeted for revitalization. Additionally, the rental rates are at rates below the fair market value.

### **Product Innovation and Flexibility**

CNB makes extensive use of innovative and/or flexible lending practices in order to serve AA credit needs. CNB has an array of innovative loan products that are comprised within their Community Development lending program that are specifically available for LMI borrowers by geographical area or income. The Home Opportunity Loan is an affordable mortgage designed to serve LMI borrowers through fixed interest rates, lower credit score requirements, and a higher loan-to-value (LTV) ratio, all while requiring a lower down payment than traditional mortgage products. The Home Restoration Loan offers the same terms as the Home Opportunity Loan plus it allows borrowers to finance or refinance up to \$35,000 into the mortgage to repair or renovate their home. These loans have revitalized and helped create a stabilization effect in LMI neighborhoods. These loans were originated to either LMI individuals or for homes located in LMI CTs. These borrowers would not qualify under traditional lending guidelines. The True Opportunity Loan, created in the fourth quarter of 2020, is a second mortgage product designed to provide LMI borrowers the flexible capital needed for home improvement as well as many of the unexpected expenses such as replacing older appliances in need of repair. The Home Value Loan, a second mortgage loan product, was created for the purpose of providing capital for most any purpose such as cash needs and home repairs. The qualifications for this loan include living in a LMI area or meeting the criteria of a LMI family per Housing and Urban Development Median Income levels.

Another innovative loan product includes the ScoreBuilder Loan Program. The ScoreBuilder Loan Program is designed to help consumers, especially those that are LMI, improve their credit scores and move them down the path to more mainstream banking products. These are small dollar, fixed-rate products that are specifically designed to offer a viable alternative to predatory practices of payday lenders with qualifying scores ranging from 0 – 600+. The ScoreBuilder Loan Program requires the applicant to complete two of the Federal Deposit Insurance Corporation’s (FDIC) “Money Smart Program” modules including Borrowing Basics and Money Matters.

The Disadvantaged Enterprise Program is an innovated commercial loan product. The Disadvantaged Enterprise Program is a comprehensive program that includes the Disadvantaged Enterprise Loan and the Disadvantaged Enterprise Line of Credit. These products are specifically designed to help meet the short- and long-term capital needs of disadvantaged small businesses that need it most. The program targets Minority- and Women-Owned Businesses, disabled individuals, and otherwise disadvantaged small business owners. Capital components of the program include an unsecured line of credit used to meet short-term working capital needs and a larger-dollar collateralized loan used to purchase or

refinance fixed assets. CNB intentionally relaxed credit score, time-in-business, and other traditional underwriting criteria in a conscious effort to provide easier access to capital.

CNB also focuses on deposit products to help move the un-banked and under-banked into mainstream banking. The Clean Slate Checking Account and the Clean Slate Savings Accounts are examples of consumer deposit products that help clients who are in the unbanked or under-banked landscape rejoin mainstream banking. These accounts are coupled with development services that leverage the completion of at least one of the FDIC's "Money Smart Program" modules as the only qualifying criteria. These products are available bank-wide.

### **Conclusions for Hattiesburg MSA AA and Memphis MSA AA Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the CNB's performance under the Lending Test in the Hattiesburg MSA AA and the Memphis MSA AA is consistent the bank's overall performance under the Lending Test in the full-scope areas. Performance in limited-scope AAs had a neutral impact on the Lending Test rating.

Refer to Tables O through R 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 Outstanding.

### **Conclusions for the nine county non-MSA AA and the Jackson MSA AA Receiving Full-Scope Reviews**

Based on full-scope reviews, the Bank's performance in the nine county non-MSA AA is excellent.

Based on full-scope reviews, the Bank's performance in the Jackson MSA AA is excellent.

CNB has an excellent level of qualified CD investment and grants, often in a leadership position, particularly those that are not routinely provided by private investors.

CNB exhibits excellent responsiveness to credit and community economic development needs. The institution makes extensive 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)
9 County non-MSA	29	10,873	16	9,610	45	60.00	20,483	60.02	0	0
Jackson MSA	3	28	7	10,160	10	13.33	10,188	29.85	0	0
Hattiesburg MSA	4	32	9	1,770	13	17.33	1,802	5.28	0	0
Memphis MSA	4	19	0	0	4	5.34	19	0.06	0	0
Statewide with P/M/F	0	0	3	1,635	3	4.00	1,635	4.79	0	0
<b>Total</b>	<b>40</b>	<b>\$10,952</b>	<b>35</b>	<b>\$23,175</b>	<b>75</b>	<b>100</b>	<b>\$34,127</b>	<b>100</b>	<b>0</b>	<b>0</b>

\* 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.

The Bank's qualified investments totaled \$34.1 million, of which \$11 million was prior period investments. The two full-scope AAs' current qualified investments totaled \$19.8 million, which is excellent.

Some specific examples of the nine county non-MSA AA investments are as follows:

- 15 urban renewal bonds totaling \$8.2 million. The proceeds of the bonds were used for constructing, improving, or paving streets, sidewalks, driveways, parkways, bridges, and culverts. Approximately 53 percent of the population live in LMI or distressed-income tracts.
- One apartment complex bond totaling \$1.4 million. The proceeds were used to build an apartment complex with funds obtained through the low-income housing tax credit program. Households living in these apartments earning 60 percent or less of the area median income.
- \$98 thousand in grants and donations to 59 CD organizations.

Some specific examples of the Jackson MSA AA investments are as follows:

- Five bonds totaling \$6.7 million. The proceeds of the bonds were used to finance certain improvements and other capital expenditures from this revenue bonds.
- Two apartment complex bond totaling \$3.2 million. The proceeds were used to build two apartment complexes with funds obtained through the low-income housing tax credit program.
- \$19.45 thousand in grants and donations to 15 CD organizations.

During the evaluation period, the Bank made 61 qualified donations totaling \$47 thousand. The recipients of these donations have targeted services to LMI individuals. The investments were not considered innovative or flexible in nature but represented adequate responsiveness to the critical needs of the AA. The investments also supported CD services targeted to LMI individuals in the Hattiesburg and Memphis MSA AA. The Bank's total investment amount represented 8.72 percent of allocated tier 1 capital.

### **Conclusions for the Hattiesburg MS AA and the Memphis MSA AA Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the Bank's performance under the Investment Test in the Hattiesburg MSA AA is consistent with the Bank's overall performance under the Investment Test in the full-scope area. Performance in limited-scope AAs had a neutral impact on the Investments Test rating.



The bank purchased \$1.8 million in bonds in the Hattiesburg MSA. No current period investments in bonds were made in the Memphis MSA. The Bank documented numerous efforts to purchase investments within the Memphis MSA AA; however, no bonds were available for purchase.

## SERVICE TEST

The Bank's performance under the Service Test in Mississippi is rated High Satisfactory.

## Conclusions for the nine county non-MSA AA and the Jackson MSA AA Receiving Full-Scope Reviews

Based on full-scope reviews, the Bank's performance in the nine county non-MSA AA and the Jackson MSA AA is good.

## Retail Banking Services

Service delivery systems are reasonably accessible to geographies and individuals of different income levels in CNB's AA. CNB has 27 banking offices, 24 offices have onsite ATMs, and three remote ATMs located in the Bank's four AAs throughout Mississippi of which 29.6 percent reside in a LMI CTs. Ten of the branches are open for convenient Saturday banking. Four branches are open until 6 p.m. for extended hours of service on weekdays. CNB also has 42 branded ATMs located in CEFCO, Shell, or Texaco convenience stores throughout Mississippi and Alabama. These CNB branded ATMs provide an extended service to the Bank's customers allowing them to gain access to funds without fees.

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	Upp	Low	Mod	Mid	Upp
9 county non-MSA AA	77.35	18	67	1	5	8	4	6.8	15.8	46.7	30.7
Jackson MSA AA	10.18	3	11	0	0	1	2	11.1	20.7	26.9	40.2
Hattiesburg MSA AA	7.17	3	11	0	2	1	0	14.7	7.8	39.1	38.3
Memphis MSA AA	5.30	3	11	0	0	1	2	0.0	10.7	51.2	38.0
Combined Area Summary	100	27	100	1	7	11	8	8.6	16.2	38.1	36.6

For the nine county non-MSA AA full-scope review, CNB operates 18 branches of which 33.3 percent are located in LMI geographies, which is excellent compared to the 22.6 percent of the population within LMI geographies. For the Jackson MSA AA full-scope review, the Bank has one branch in a middle-income CT and two branches in upper-income CTs. The one middle-income CT is located less than two miles from a LMI tract. The percentage of CNB's branches in moderate-income tracts is nil. However, one branch or 33.3 percent, is in close proximity to a LMI tract and as such exceeds the percentage of the population living in these geographies of 31.8 percent. CNB did not open or close any banking offices in these two AAs during this evaluation period.

Customers have 24-hour access to their accounts via telephone and internet. Telephone banking services include access to deposit and loan balance information, and transfers between CNB accounts. Internet banking services include retail online banking, access to deposit and loan balance information, transfers between CNB accounts, bill payment, and check images. Zelle®, a person to person payments system has been added as an innovative product that is free of charge for the clients of CNB to transfer money instantly to known friends and family. Additionally, CNB's Bank-at-Work Program has been an effective way to take the bank to the community and serve the under-banked and un-banked across the State of Mississippi. The Bank-at-Work Program is administered mainly to hourly paid employees who are seeking a banking relationship, many for the first time. CNB offers a multitude of CD products. These Community Development products are innovative and were designed to meet community needs.

The Bank has found that they can service almost anyone through their regular products or the second chance products (Clean Slate Checking and Clean Slate Savings) for those clients who would otherwise be turned down by other financial institutions because they cannot obtain a regular checking or savings account. These Bank-at-Work activities not only provide access to banking products and services, but also mirror financial literacy classes as CNB representatives go on-site to the employee to answer questions, provide financial guidance, and assistance in opening accounts. Most of these encounters take place while the employee is on break, lunch, or allowed to visit with our CNB employee during working hours. Most of these clients would find it otherwise very hard to come to the Bank during normal banking hours.

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

To the extent changes have been made, CNB'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.

On February 11, 2020, CNB opened its 27th branch location, the Goodman Road Banking Center, on Goodman Road, in Olive Branch, Mississippi. The banking hours of this facility are 9 a.m. to 4 p.m., Monday through Thursday, and 9 a.m. to 5:30 p.m. on Friday. The newest branch is located in an upper-income CT, a neutral impact on CRA efforts. CNB has not closed any branch locations since 2015.

Services, including business hours, are tailored to the convenience and needs of its AAs, particularly LMI geographies and/or individuals. As noted above, the Bank provides many locations in LMI tracts and provides ATMs and Bank-at-Work Programs that target LMI individuals and the un-banked along with the under-served individuals.

### **Community Development Services**

CNB serves as a leader in providing CD services and demonstrates an excellent responsiveness to meeting the needs of the community. During the evaluation period, CNB employees provided financial services including workshops, financial literacy classes, and participated in leadership

roles in numerous community development organizations. Some specific examples for the nine county non-MSA AA and the Jackson MSA AA are as follows:

- Bank employees taught 132 sessions of the financial literacy class to numerous organizations and individuals throughout the AAs. The types of financial education included the following: FDIC Money Smart, Basic Money Matters, financial literacy training with free tax preparation, and teach children to save.
- Presented 13 first time homebuyers' workshops to individuals residing in the AA.
- Presented 20 small business workshops that covered the basics of banking, the process for applying for a small business loan, and steps business owners can take for accessing capital.
- Attendees totaled 4,805 for these three activities (financial literacy, first time home buyers' workshops and small business workshops).
- Bank organized 108 Bank-at-Work events. This effort is directed to un-banked and under-banked individuals. The employees attending these events consisted of 98 percent LMI wage employees in the nine county non-MSA AA and 89 percent LMI wage employees in the Jackson MSA AA. As a result, the Bank opened 166 checking accounts, eight loans, 43 savings accounts, and one credit card.

Bank representatives served as board or finance committee members to 27 qualified community development organizations. Some examples of these services include:

- Serve on the executive board, loan committee, or as vice chairman on the board for a development corporation that provides financing to local businesses who cannot qualify for traditional financing.
- The Bank provides free-of-charge mortgage loan origination, processing, and loan servicing to LMI individuals receiving no cost residential loans from Habitat for Humanity. The Bank provides their expertise on an on-going basis.
- Serve on the board of directors for a consortium of local Mississippi banks which help to finance multi-family affordable housing units in the State of Mississippi.
- Serve on the board of directors for an organization with a mission to increase economic and financial literacy in Mississippi by providing resources and training to public and private K-12 schools; thus, empowering students to create a more prosperous future for themselves and Mississippians.
- Serve as an advisory board member for an organization that provides meals to the homeless or to the working poor.

CNB also uses its marketing staff to assist qualified community development organizations to produce radio commercials. These advertisements are designed to raise awareness, funding, and volunteer support for the organizations. CNB's marketing team is responsible for administering the program by writing the advertisements, scheduling the radio airing time with local radio stations, and recording the radio commercials. Bank employees contributed 335 hours relating to the radio program. During the evaluation period, CNB invested \$166 thousand in radio airing time and employee expense on behalf of these organizations. Bank-wide the expenses related to the radio advertisements for these organizations totaled \$277 thousand.

## **Conclusions for the Hattiesburg MSA AA and the Memphis MSA AA Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the Bank's performance under the Service Test for the Hattiesburg MSA AA and the Memphis MSA AA is consistent with the Bank's overall performance under the Service Test in the full-scope areas. Bank employees within these two AAs conducted 19 financial literacy classes with 301 attendees and one first-time home buyers' workshop. Within these two AAs, the Bank conducted 100 Bank-at-Work events with 1,841 attendees. These Bank-at-Work efforts resulted in 50 new checking accounts, 27 new savings accounts, and 25 new loans. Bank representatives serve as board and financial committee of 18 qualifying CD organizations.

## Appendix A: Scope of Examination

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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>	01/01/2018 to 12/31/2020	
<b>Bank Products Reviewed:</b>	Home mortgage loans, small business loans, community development loans, qualified investments, and community development services	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
N/A		
<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>Mississippi</b>		
Nine County non-MSA AA	Full-scope	This AA is comprised of nine counties including: Attala, Clarke, Jones, Lauderdale, Leake, Lowndes, Neshoba, Noxubee, and Wayne.
Jackson MSA AA	Full-scope	This AA consists of Copiah, Hinds, Madison, Rankin, and Simpson Counties.
Hattiesburg MSA AA	Limited-scope	This AA consists of Forrest County, Lamar County, and Perry County.
Memphis MSA AA	Limited-scope	This AA consists of 27 CTs in Desoto county of Mississippi and one tract in Marshall county of Mississippi.

## Appendix B: Summary of MMSA and State Ratings

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RATINGS      The Citizens National Bank				
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State/Multistate Rating
The Citizens National Bank	High Satisfactory	Excellent	High Satisfactory	Satisfactory
MMSA or State:				
State of Mississippi	High Satisfactory	Excellent	High Satisfactory	Satisfactory

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

## 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.

**Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography 2018-20**

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
Hattiesburg MSA 2020	214	57,312	17.1	3,662	5.4	4.7	2.6	6.7	2.8	3.4	40.3	37.4	38.6	47.6	55.1	55.4	0.0	0.0	0.0
Jackson MSA 2020	230	65,879	18.3	13,679	6.0	0.9	1.1	14.6	0.9	5.4	27.2	20.0	23.0	52.1	78.3	70.5	0.0	0.0	0.0
Memphis MSA 2020	48	8,739	3.8	7,043	0.0	0.0	0.0	7.3	12.5	5.1	48.5	45.8	37.7	44.2	41.7	57.3	0.0	0.0	0.0
Non-MSA AA 2020	763	116,182	60.8	5,409	4.0	3.1	3.5	11.7	10.5	8.2	49.2	41.4	47.9	35.1	45.0	40.5	0.0	0.0	0.0
<b>Total</b>	<b>1,255</b>	<b>248,112</b>	<b>100.0</b>	<b>29,793</b>	<b>4.4</b>	<b>2.9</b>	<b>1.5</b>	<b>11.7</b>	<b>7.5</b>	<b>5.6</b>	<b>39.3</b>	<b>37.0</b>	<b>32.9</b>	<b>44.6</b>	<b>52.7</b>	<b>60.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Source: 2015 ACS Census; 10/01/2018 - 12/31/2020 Bank Data, 2019 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0 percent

**Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower 2018-20**

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
Hattiesburg MSA 2020	214	57,312	21.2	3,662	24.0	2.8	2.7	14.0	8.9	12.8	18.7	14.0	17.8	43.3	53.3	46.0	0.0	21.0	20.8
Jackson MSA 2020	230	65,879	22.8	13,679	22.1	1.7	3.6	16.0	7.8	12.7	17.6	14.8	18.5	44.3	59.1	45.2	0.0	16.5	20.0
Memphis MSA 2020	48	8,739	7.1	7,043	15.4	6.3	4.7	16.8	4.2	14.7	22.4	12.5	22.8	45.4	39.6	35.7	0.0	37.5	22.2
Non-MSA AA 2020	763	116,182	60.8	5,409	22.9	4.3	3.1	15.8	12.6	11.7	17.3	16.3	19.2	44.0	53.7	48.5	0.0	13.1	17.6
<b>Total</b>	<b>1,255</b>	<b>248,112</b>	<b>100.0</b>	<b>29,793</b>	<b>21.6</b>	<b>3.7</b>	<b>3.6</b>	<b>15.8</b>	<b>10.8</b>	<b>13.0</b>	<b>18.3</b>	<b>15.5</b>	<b>19.6</b>	<b>44.3</b>	<b>54.1</b>	<b>43.6</b>	<b>0.0</b>	<b>16.0</b>	<b>20.2</b>

Source: 2015 ACS Census; 10/01/2018 - 12/31/2020 Bank Data, 2019 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0 percent

**Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography 2018-20**

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
Hattiesburg MSA 2020	330	39,622	13.4	2,152	11.7	8.2	10.5	6.4	7.9	6.2	48.6	50.0	43.9	33.4	33.9	39.4	0.0	0.0	0.0
Jackson MSA 2020	451	86,489	18.3	9,576	6.8	4.7	5.6	17.7	10.2	15.2	27.6	26.4	26.5	47.8	58.8	52.7	0.1	0.0	0.0
Memphis MSA 2020	92	15,640	3.7	2,097	0.0	0.0	0.0	8.5	5.4	4.5	46.8	46.7	47.7	44.7	47.8	47.8	0.0	0.0	0.0
Non-MSA AA 2020	1,596	190,698	64.6	4,117	9.8	12.0	8.9	19.9	28.4	18.9	42.6	30.3	43.3	27.7	29.3	28.8	0.0	0.0	0.0
<b>Total</b>	<b>2,469</b>	<b>332,449</b>	<b>100.0</b>	<b>17,942</b>	<b>7.3</b>	<b>9.7</b>	<b>6.3</b>	<b>15.9</b>	<b>21.5</b>	<b>13.7</b>	<b>35.9</b>	<b>32.8</b>	<b>34.9</b>	<b>40.8</b>	<b>36.0</b>	<b>45.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Source: 2020 D&B Data; 10/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data "--" data not available.  
Due to rounding, totals may not equal 100.0 percent

**Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues 2018-20**

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
Hattiesburg MSA 2020	330	39,622	13.4	2,152	83.5	61.8	41.5	4.3	32.1	12.2	6.1
Jackson MSA 2020	451	86,489	18.3	9,576	85.4	64.3	38.6	4.5	31.3	10.1	4.4
Memphis MSA 2020	92	15,640	3.7	2,097	85.5	59.8	41.2	3.2	38.0	11.4	2.2
Non-MSA AA 2020	1,596	190,698	64.6	4,117	81.0	67.0	43.3	5.0	30.3	14.0	2.7
<b>Total</b>	<b>2,469</b>	<b>332,449</b>	<b>100.0</b>	<b>17,942</b>	<b>84.1</b>	<b>65.5</b>	<b>40.3</b>	<b>4.4</b>	<b>31.0</b>	<b>11.4</b>	<b>3.4</b>

Source: 2020 D&B Data; 10/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data "--" data not available.  
 Due to rounding, totals may not equal 100.0 percent