



## **PUBLIC DISCLOSURE**

August 03, 2015

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

Copiah Bank National Association  
Charter Number 18178

210 West Gallatin  
Hazlehurst, MS 39083

Office of the Comptroller of the Currency

3838 North Causeway Blvd.  
Suite 2890  
Metairie, LA 70002-8105

**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, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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

Summarize the major factors supporting the institution's rating.

- CBNA's loan-to-deposit (LTD) ratio of 77.91 percent is considered reasonable in light of the bank's size, competition, and market loan demand.
- The substantial majority of CBNA's loans (by dollar and number) are made within its assessment areas.
- Mortgage and commercial loan patterns reflect excellent distribution among borrowers of different income levels, particularly among moderate-income borrowers.
- Geographic distribution of mortgage and commercial loans reflect excellent distribution throughout the bank's assessment areas.

**SCOPE OF EXAMINATION**

This assessment of Copiah Bank, National Association's (CBNA) CRA performance was conducted using the Interagency Small Institution CRA Examination Procedures, dated February 2006.

Our analysis of the bank's CRA performance is based primarily on the distribution by income and geography of various bank products since the December 2008 CRA Examination. All HMDA related loans as well as a random sample of 40 commercial loans made between January 1, 2012 and December 31, 2014 were utilized to determine distribution by income and geography. These products represent CBNA's primary loan categories. A separate data integrity review was conducted prior to the commencement of this activity. Due to the period of review utilizing demographic data from two different U.S. Census activities, separate analyses of the previously listed distributions will be performed for 2012-2013 (using 2000 Census data) and 2014 (using 2010 Census data).

Full scope procedures were performed with regards to CBNA's performance in its Jackson, MS Assessment Area (AA) as this area contains the vast majority of its loans and deposits, as well as all of its physical facilities. Due to the lack of data and its recent addition, CBNA's performance in the Lincoln County, MS AA was assessed using limited scope procedures.

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

## DESCRIPTION OF INSTITUTION

Copiah Bank, National Association (CBNA) is a \$169 million, nationally chartered community bank headquartered in Hazlehurst, MS, the county seat of Copiah County. CBNA (established 1891) is the oldest of two banks headquartered in Copiah County. The bank is 100 percent owned by Copiah Bancshares, a one bank holding company. As of December 31, 2014, ownership of the holding company was varied, with no single person or organization owning more than 12 percent of the company's stock.

CBNA serves its community from a main office and seven (7) branches, located in the Mississippi cities of Hazlehurst (1), Wesson (1), Crystal Springs (1), Byram (1), Clinton (1), Richland (1), and Florence (1). Since the prior CRA examination, CBNA opened full service branches in Clinton and Richland (2009). In 2014, the Richland branch relocated less than a mile from its original strip mall location to a standalone office. With the exception of the main office, all locations offer full services, including drive-up facilities and proprietary Automated Teller Machines (ATMs). CBNA offers a competitive advantage in that its lobbies open daily at 8:30 AM with extended hours on Fridays. CBNA also offers telephone, Internet, and mobile banking as alternative delivery channels.

As of June 30, 2015, no legal, financial, or regulatory impediments have been identified that would impact the bank's ability to help meet the credit needs of its AAs. Per FDIC Market Share reports as of June 30, 2014, CBNA held the second largest share of deposits in Copiah County with 32.01 percent. However, in the overall Jackson MSA, the bank's deposit market share of 1.13 percent ranks CBNA 15<sup>th</sup> of the 27 banks operating within the MSA. CBNA received an "Outstanding" rating at its previous CRA examination (December 10, 2008).

CBNA's primary business focus is 1-4 family real estate (RE) and commercial lending. There has been no change in focus regarding products since the previous CRA examination. CBNA's broad loan mix based on its June 30, 2015 Call Report is as follows:

<b>Loan Category</b>	<b>\$ (000)</b>	<b>%</b>
1-4 Family RE	35,919	33.38
Commercial & Industrial Loans*	64,693	60.11
Consumer Loans	7,009	6.51
<b>Total</b>	<b>107,621</b>	<b>100.00%</b>
* Commercial and Industrial loans also include commercial RE		

CBNA's competition is strong as 27 banks operate within CBNA's Jackson AA and eight (8) in its Lincoln County AA. However, CBNA does not operate an office in Lincoln County. Only Trustmark NB has facilities in both AAs, but it is significantly larger than CBNA. While management considers Trustmark to be its primary competitor, CBNA has no similarly situated competitor in either AA.

## **DESCRIPTION OF ASSESSMENT AREA(S)**

CBNA has designated two assessment areas:

- Select census tracts of the Jackson (MS) Metropolitan Statistical Area (MSA), and
- Select census tracts of Lincoln County, MS.

The Lincoln County AA was added in 2014. Lincoln County is not part of a MSA.

### **Jackson, MS MSA AA**

CBNA's primary AA is the Jackson, MS MSA. This MSA includes the counties of Hinds, Madison, Rankin, Copiah, Simpson, and Yazoo counties. The principal city of this AA is Jackson, which is the capital of the state of Mississippi and is the seat of government for Hinds County. Jackson is the largest populated city in the state. Copiah County (CBNA's legacy market) was added to the Jackson MSA as a result of the 2000 Census.

Due to the limited number of facilities as well as the geographical size of the AA described above, management did not think it could reasonably serve the entire Jackson MSA. As a result, CBNA designated census tracts comprising the city limits of each city which houses its banking facilities as its AA. Certain other tracts linking its Byram and Clinton offices, as well as one census tract in Simpson County that is adjacent to Rankin and Copiah counties are also included in the bank's AA designation. The designated AA meets regulatory requirements and does not arbitrarily exclude any low- or moderate- income area.

Based on the 2000 Census, CBNA's AA consisted of 24 census tracts, of which none were designated as low-income tracts. The remaining tracts were classified as moderate-income (4), middle-income (15), and upper-income tracts (5). In contrast, the 2010 Census for the same area was slightly different. Tracts in the bank's AA for this period again contained no low-income tracts, but included three (3) moderate-income, 17 middle-income, and 5 upper-income tracts. For 2014, the AA lost a moderate-income census tract due to its reclassification as a middle-income tract (9501.00), but gained a middle-income area as Census Tract 112.00 (a single, middle-income tract prior to the 2010 Census) was divided into two middle-income tracts.

Because this analysis includes comparison to two sets of Census data (2000 and 2010), demographics from both periods are included. Tables 2 and 3 (from the 2012-13 and 2014 periods, respectively) illustrate select demographic data from CBNA’s Jackson AA from both periods.

<b>Table 2 - Demographic Information for CBNA’s Assessment Area: Jackson, MS MSA (Select Tracts) 2012-2013</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>
<b>Census Tracts</b>	24	0.00%	16.00%	64.00%	20.00%	0.00%
<b>Population by Tract</b>	122,329	0.00%	13.10%	69.65%	17.25%	0.00%
<b>Owner-Occupied Housing by Tract</b>	33,809	0.00%	11.09%	69.78%	14.36%	0.00%
<b>Business by Tract</b>	9,939	0.00%	12.98%	67.27%	19.75%	0.00%
<b>Farms by Tract</b>	328	0.00%	8.84%	74.09%	17.07%	0.00%
<b>Family Distribution by Income Level</b>	31,190	19.45%	16.79%	22.99%	40.77%	0.00%
<b>Median Family Income</b>		\$57,530	<b>Median Housing Value</b>			\$113,360
<b>HUD Adjusted Median Family Income for 2013</b>		\$55,600	<b>Unemployment Rate</b>			3.96%
<b>Households Below Poverty Level</b>		12.88%				
2013 HUD updated MFI						
(*) The NA category consists of Tracts that have not been assigned an income classification.						

Source: CRA Whiz data

<b>Table 3 - Demographic Information for CBNA’s Assessment Area: Jackson, MS MSA (Select Tracts) 2014</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>
<b>Census Tracts</b>	25	0.00%	12.00%	68.00%	20.00%	0.00%
<b>Population by Tract</b>	122,329	0.00%	8.27%	74.48%	17.25%	0.00%
<b>Owner-Occupied Housing by Tract</b>	33,809	0.00%	6.19%	74.68%	19.13%	0.00%
<b>Business by Tract</b>	8,272	0.00%	8.52%	71.93%	19.55%	0.00%
<b>Farms by Tract</b>	296	0.00%	7.77%	75.00%	17.23%	0.00%
<b>Family Distribution by Income Level</b>	31,190	18.92%	16.45%	22.69%	41.93%	0.00%
<b>Median Family Income</b>		\$57,530	<b>Median Housing Value</b>			\$113,360
<b>HUD Adjusted Median Family Income for 2014</b>		\$54,643	<b>Unemployment Rate</b>			3.96%
<b>Households Below Poverty Level</b>		12.88%				
2014 HUD updated MFI						
(*) The NA category consists of Tracts that have not been assigned an income classification.						

Source: CRA Whiz data

The United States Office of Housing and Urban Development updates median family income for MSA and non-MSA families each year. In 2013 (the latest year to be considered for the 2011-2013 comparison), HUD’s median MSA family income for the state of Mississippi was \$55,600. For 2014, the median MSA family income for Mississippi was \$54,643. Income classification categories for both periods of review are listed in Tables 4 and 5:

Table 4 – Income Categories – Jackson, MS MSA – 2012-2013 Analysis			
Low	Moderate	Middle	Upper
<\$27,799	\$27,800 – \$44,479	\$44,480 - \$66,164	>\$66,165

Table 5 – Income Categories – Jackson, MS MSA – 2014 Analysis			
Low	Moderate	Middle	Upper
<\$27,230	\$27,231 – \$43,713	\$43,714 - \$64,811	>\$64,811

The economy of the Jackson MSA is highly concentrated in government, medical services, and education, though manufacturing adds diversity to the economic environment. Major employers in the Jackson MSA include the State of Mississippi (state government), University of Mississippi Medical Center (medical services), United States Government (federal government), Nissan Motor Corp. (vehicle manufacturing), and the Jackson Public School District (education). Unemployment in the area is considered moderate. As of June 2015, the unemployment rate of the AA (6.11 percent) was lower than that of the state of Mississippi (7.0 percent), but higher than that of the United States (5.5 percent).

During our examination, we conducted an interview with an official representing government in the city of Hazlehurst, MS. Information received during this interview indicated a need for affordable housing and transportation as the community’s most pressing credit needs. The contact was complimentary of CBNA’s actions to address these needs as well as community development.

**Lincoln County AA**

Lincoln County, MS is the second of CBNA’s AAs. Lincoln County, MS is located in the southwest portion of Mississippi, with its northern border located approximately 50 miles southwest of Jackson, MS. Lincoln County is the 23<sup>rd</sup> most populated county in Mississippi. The county seat is Brookhaven, though it is not included in the bank’s AA as it is located further south of these tracts and has significant banking competition. However, the vast majority of the county’s businesses are located in/around Brookhaven. As previously noted, CBNA does not operate an office in Lincoln County.

The county has six (6) total census tracts, but management included only the two northern tracts in its AA. These tracts border Copiah County and are adjacent to Wesson, MS where CBNA has a branch. These tracts are characterized as middle- and upper-income, but the middle-income tract (9501.00) is considered distressed for poverty as 50.87 percent of the families residing in the tract are at or below the poverty level.

Table 6 below illustrates select demographic data from the Lincoln County AA:

<b>Table 6 - Demographic Information for CBNA's Assessment Area: Lincoln County, MS (Select Tracts) 2014</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>
<b>Census Tracts</b>	2	0.00%	0.00%	50.00%	50.00%	0.00%
<b>Population by Tract</b>	10,294	0.00%	0.00%	39.76%	60.24%	0.00%
<b>Owner-Occupied Housing by Tract</b>	3,465	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Business by Tract</b>	602	0.00%	0.00%	40.53%	59.47%	0.00%
<b>Farms by Tract</b>	35	0.00%	0.00%	34.29%	65.71%	0.00%
<b>Family Distribution by Income Level</b>	13,070	15.99%	16.30%	19.88%	47.82%	0.00%
<b>Median Family Income</b>		\$47,714	<b>Median Housing Value</b>			\$79,756
<b>HUD Adjusted Median Family Income for 2014</b>		\$40,980	<b>Unemployment Rate</b>			4.18%
<b>Households Below Poverty Level</b>		12.04				
2014 HUD updated MFI						
(*) The NA category consists of Tracts that have not been assigned an income classification.						

Source: CRA Whiz data

The economy of Lincoln County is weighted towards education, health, social services, retail trade and manufacturing. All of the county's major employers are located in Brookhaven, which is located south of the two census tracts that management has designated as the bank's AA in the county. Major employers include Walmart Distribution Center (retail distribution), Brookhaven School District (education), McLane Southern (grocery distribution), King's Daughter's Medical Center (medical services), and Delphi Automotive (automotive parts manufacturing). The AA's unemployment rate of 4.18 percent as of June 30, 2015 is lower than that of the state of Mississippi (7.0 percent) and the United States (5.5 percent).

Because CBNA does not operate a banking facility in Lincoln County, combined with the recent addition of the area as an AA, a full scope analysis of the bank's CRA performance in this AA was not performed.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

### Loan-to-Deposit Ratio

- CBNA's average quarterly loan-to-deposit (LTD) ratio of 77.91 percent for the evaluation period is considered reasonable in light of the bank's size, competition, and financial condition.

The 25 quarters that have elapsed since CBNA's most recent CRA examination (December 2008) resulted in an average LTD ratio of 77.91 percent. This LTD ratio reflects a slight increase from the 71.00 percent average noted in the bank's 2008 CRA

PE. The bank's LTD ranged from a high of 84.59 percent at December 31, 2010 to a low of 73.07 percent at March 31, 2014. CBNA's LTD is in compliance with the bank's Board approved target of a minimum 75 percent LTD ratio.

CBNA's average LTD ratio compared favorably to most banks of a similar size headquartered in Mississippi, but less favorably to banks operating in the Jackson AA:

<b>Table 7 – Loan-to-Deposit Ratios of Similarly Sized Institutions Domiciled in Mississippi</b>		
<b>Institution</b>	<b>Assets (000s) (as of 3/31/15)</b>	<b>Average LTD Ratio</b>
First Southern Bank	\$196,041	86.13%
<b>Copiah Bank, NA</b>	<b>\$168,063</b>	<b>77.91%</b>
Bank of Okolona	\$154,697	72.68%
Bank of Wiggins	\$191,844	71.35%
Newton County Bank	\$162,355	69.97%

Source: FFIEC Uniform Bank Performance Reports

<b>Table 8 – Loan-to-Deposit Ratios of Select Competitors Operating in Jackson AA</b>		
<b>Institution</b>	<b>Assets (000s) (as of 3/31/15)</b>	<b>Average LTD Ratio</b>
State Bank and Trust Co.	\$985,000	88.72%
Bancorpsouth Bank	\$13,623,000	84.45%
PriorityOne Bank	\$586,000	83.84%
Regions Bank	\$121,435,000	81.60%
Metropolitan Bank	\$1,001,000	81.27%
Trustmark NB	\$12,177,000	78.88%
<b>Copiah Bank, NA</b>	<b>\$168,063</b>	<b>77.91%</b>
BankPlus	\$2,602,000	76.24%

Source: FFIEC Uniform Bank Performance Reports

All of CBNA's Jackson AA competitors listed in the above table are larger in size and have a more extensive branching network than CBNA. However, CBNA's average LTD compares only slightly less favorably to Trustmark NB, its primary competitor. Trustmark operates 52 locations in the AA versus CBNA's eight (8) locations.

### Lending in Assessment Area

- The substantial majority of loans (by both number of loans and dollars) originated by the institution during both periods of review were extended to borrowers within its AAs.

Tables 9 and 10 denote the distribution of CBNA's major loan products between January 1, 2012 and December 31, 2013 (first table) and January 1, 2014 to December 31, 2014 (second table). As reflected in the tables, the substantial majority of CBNA's loans are made within its AAs. However, in 2014, the percentage of dollar amount of



loans declined from the percentage reflected in the 2012-2013 table. The commercial lending results for 2014 were skewed by the inclusion of two loans totaling \$2.0 million that were made within the Jackson MSA, but outside of the census tracts included in the bank's AA.

<b>Table 9 - Lending in Total AAs 2012-2013</b>										
Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Home Purchase	45	80.36	11	19.64	56	2,592	75.88	824	24.12	3,416
Home Improvement	155	95.68	7	4.32	162	1,914	97.45	50	2.55	1,964
Refinances	77	83.70	15	20.69	92	5,629	87.98	769	12.02	6,398
Commercial	18	85.00	2	15.00	20	1,854	95.74	82	4.26	1,936
Totals	295	89.39	35	10.61	330	11,989	87.42	1,725	12.58	13,714

Source: CRA Whiz HMDA data (residential RE), OCC loan sample (commercial loans)  
In/Out table for 2012-2013\*

<b>Table 10 - Lending in Total AAs 2014</b>										
Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Home Purchase	68	80.00	17	20.00	85	4,255	75.97	1,346	24.03	5,601
Home Improvement	242	94.90	13	5.10	255	2,898	93.00	218	7.00	3,116
Refinances	138	79.31	36	20.69	174	9,229	82.76	1,922	17.24	11,151
Commercial	16	75.00	4	25.00	20	2,429	50.20	2,409	49.80	4,838
Totals	464	86.89	70	13.11	534	18,811	76.14	5,895	23.86	24,706

Source: CRA Whiz HMDA data (residential RE), OCC loan sample (commercial loans)  
In/Out table for 2014\*

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

- The distribution of loans made by CBNA to borrowers of different income levels is excellent for residential loan products for both periods of review. Lending to businesses of different sizes is also excellent for both periods of review.

#### *Residential Real Estate*

As reflected in tables 11 and 12, CBNA's lending to borrowers of different income levels for 1-4 Family residential real estate loans is excellent, particularly with regards to home improvement loans among low- and moderate-income families.

Table 11 - Borrower Distribution of Residential Real Estate Loans in AA 2012-2013								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Purchase	19.45	9.09	16.79	13.64	22.99	22.73	40.77	50.00
Home Improvement	19.45	30.07	16.79	22.22	22.99	20.92	40.77	24.84
Refinancings	19.45	7.79	16.79	12.99	22.99	27.27	40.77	45.45

Source: CRA Whiz HMDA data; U.S. Census data.

Note: Applicant income not available for 4.54% of home purchase, 1.95% of home improvement and 6.50% of refinance loans.

Table 12 - Borrower Distribution of Residential Real Estate Loans in AA 2014								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Purchase	18.92	15.00	16.45	20.00	22.69	10.00	41.93	45.00
Home Improvement	18.92	29.76	16.45	20.24	22.69	23.81	41.93	26.19
Refinances	18.92	18.97	16.45	18.97	22.69	29.31	41.93	27.59

Source: CRA Whiz HMDA data; U.S. Census data

Note: Applicant income not available for 10% of home purchase and 5.17% of refinance loans.

### Commercial Lending

Lending to businesses of different sizes is excellent. The distribution of loans to businesses with gross revenues less than \$1 million exceeded their percentage of businesses by income in the area for 2012-2013.

Table 13 - Borrower Distribution of Loans to Businesses in Jackson AA 2012-2013				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	71.52	2.58	25.91	100%
% of Bank Loans in AA by #	77.78	22.22	0.00	100%
% of Bank Loans in AA by \$	82.67	17.33	0.00	100%

Source: OCC Loan sample; Dunn and Bradstreet data.

Table 14 - Borrower Distribution of Loans to Businesses in Jackson AA 2014				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	71.05	2.96	25.99	100%
% of Bank Loans in AA by #	87.50	12.50	0.00	100%
% of Bank Loans in AA by \$	25.26	74.74	0.00	100%

Source: OCC loan sample; Dunn and Bradstreet data.

The vast majority of the number of loans made by CBNA in our 2014 commercial loan sample again were made to businesses with gross revenues of less than \$1 million. However, the percentage of dollar amount of loans made to smaller businesses was negatively affected with the inclusion of a \$1.8 million loan in our sample. This loan was made to refinance a retirement home located in the AA. This inclusion skewed the above ratio as this single loan was three times the total of the other commercial loans included in our sample that were made to AA businesses.

### Geographic Distribution of Loans

- The geographic distribution of residential loan products is excellent for both periods of review. The geographic distribution of commercial loan products is excellent for the 2012-2013 review period, but poor for the 2014 review period.

#### Residential Lending

As reflected in Tables 15 and 16, CBNA’s distribution of residential real estate loans by geography is excellent in the Jackson AA. The distribution among moderate-income tracts was weaker in 2014, primarily due to the loss of a moderate-income tract as the result of the 2010 Census. CBNA has no low-income tracts in this AA.

Table 15 - Geographic Distribution of Residential Real Estate Loans in Jackson AA 2012-2013								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Purchase	0.00	0.00	11.09	18.18	69.78	77.27	19.13	4.55
Home Improvement	0.00	0.00	11.09	41.18	69.78	56.86	19.13	1.96
Refinances	0.00	0.00	11.09	91.48	69.78	80.52	19.13	0.00

Source: CRA Whiz HMDA data; U.S. Census data.

Table 16 - Geographic Distribution of Residential Real Estate Loans in Jackson AA 2014								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Purchase	0.00	0.00	6.19	10.00	74.68	90.00	19.13	00.00
Home Improvement	0.00	0.00	6.19	29.76	74.68	70.24	19.13	0.00
Refinance	0.00	0.00	6.19	22.41	74.68	74.14	19.13	3.45

Source: CRA Whiz HMDA data, U.S. Census data.

### Commercial Lending

As previously noted, CBNA’s Jackson AA does not contain any low-income geographies. However, commercial lending in moderate-income tracts between 2012 and 2013 was more than double that of the AA demographic of businesses located in moderate-income tracts, which is excellent.

Table 17 - Geographic Distribution of Loans to Businesses in Jackson AA 2012-2013								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Commercial	0.00	0.00	12.98	33.33	67.27	61.11	19.75	5.56

Source: OCC loan sample; Dunn and Bradstreet data.

Table 18 - Geographic Distribution of Loans to Businesses in Jackson AA 2014								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Commercial	0.00	0.00	8.52	0.00	71.93	100.00	19.55	0.00

Source: OCC loan sample; Dunn and Bradstreet data.

For the 2014 analysis, our random sample of commercial loans did not include any such loan made in moderate-income tracts. Reasons for low penetration are as follows:

- Change in census tract designation of AA. The bank’s legacy market of Copiah County had a census tract (9501.00) that changed from a moderate-income tract to a middle-income tract as a result of the 2010 Census. This tract includes Crystal Springs, MS. Prior analyses have reflected Crystal Springs being a prime source for both commercial and residential lending, all of which were credited as being made in a moderate-income geography. The tract’s designation changed from the 2000 Census with an influx of higher income residents to Crystal Springs.

- Growth of other markets. Since year-end 2013, lending in Hazlehurst, MS (where two (2) of the three (3) AA moderate-income tracts are located), has declined from 40 percent of the bank's loan portfolio to 38.1 percent. Loan demand has shrunk due to a shift in population out of Hazlehurst to other parts of the AA or completely out of the area. Meanwhile, growth in certain markets (primarily Rankin County) has increased from 29.73 percent to 30.97 percent. Loan demand was higher in this part of the AA as people continue to move to the suburbs of Jackson, which are perceived to have a higher quality of life and economic development initiatives.

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

Based on a limited-scope review, the bank's performance in Lincoln County, MS is not inconsistent with the bank's overall performance.

In 2014, CBNA made 23 loans totaling \$482,999 in the two (2) census tract AA of Lincoln County. Nine (9) of these loans were for HMDA purposes, with the comparators for home improvement loans for moderate-income customers exceeding the percentage of moderate-income families in the AA. The geographic distribution of loans in the AA was considered meaningless, as the AA did not include any low- or moderate-income tracts. However, three (3) of the nine HMDA related loans were made in Census Tract 9501.00, which is designated as a middle-income tract, but is given favorable treatment as the tract is considered distressed due to a high rate of poverty (50.47% of families live at/below the poverty level). The vast majority of loans made in these two census tracts were for personal reasons. The OCC did not use personal loans as a product for comparative purposes. However, CBNA does not have a minimum loan amount as evidenced by four (4) of the 23 loans originated during the period were for amounts less than \$1,000.

Two (2) of the 23 loans originated during this period were for commercial purposes, but only one loan contained gross income information. Commercial lending in the AA is weaker than the full scope area, but CBNA does not have a branch in the AA. Further, the vast majority of commercial businesses are located in the southern part of the AA, which borders the city limits of Brookhaven. Brookhaven has nine (9) commercial banks operating in the area, which CBNA management felt was too competitive for it to successfully operate.

Performance differences in this AA were not significant enough to impact the bank's overall rating.

## **Responses to Complaints**

Neither the OCC's Customer Assistance Group (CAG) nor FNB's CRA Public File has been documented with any CRA related complaint from the public during our period of review.

## **Fair Lending or Other Illegal Credit Practices Review**

Pursuant to 12 C.F.R. 25.28(c), or 12 C.F.R. 195.28(c), in determining a national bank's (bank) or Federal Savings Association's (FSA) CRA rating, respectively, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank or FSA, or in any AA by an affiliate whose loans have been considered as part of the bank's or FSA's lending performance.

The OCC found no evidence of discrimination or other illegal practices inconsistent with helping to meet community credit needs.