



PUBLIC DISCLOSURE

March 23, 2015

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The Citizens National Bank of Meridian
Charter Number: 7266

512 22nd Avenue
Meridian, MS 39301-5853

Office of the Comptroller of the Currency
Birmingham Field Office
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.

Table of Contents

OVERALL CRA RATING	1
DEFINITIONS AND COMMON ABBREVIATIONS	2
DESCRIPTION OF INSTITUTION	6
SCOPE OF THE EVALUATION.....	8
FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW	9
CONCLUSION WITH RESPECT TO PERFORMANCE TEST	10
LENDING TEST	10
INVESTMENT TEST.....	16
SERVICE TEST.....	18
APPENDIX A: SCOPE OF EXAMINATION.....	A-1
APPENDIX B: SUMMARY OF STATE RATING(S)	B-1
APPENDIX C: MARKET PROFILES FOR FULL-SCOPE AREAS	C-1
APPENDIX D: TABLES OF PERFORMANCE DATA	D-1

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) with respect to the lending, investment, and service tests:

Performance Levels	(Name of Depository Institution) 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 following conclusions support this rating:

- Lending levels reflect good responsiveness to meeting the credit needs of the assessment areas (AA).
- A substantial majority of CNB’s loans were made inside its AAs. Overall, 86 percent of all loans made during the evaluation period were to borrowers inside the AAs.
- The geographic distribution of loans is excellent. The distribution of loans by income level is adequate.
- CNB is a leader in making community development (CD) loans in its AAs, which had a positive impact on the overall Lending Test rating.
- The level of CD investments is significant based on the lending opportunities in the AAs.
- CNB’s retail delivery systems are reasonably accessible to all portions of the AAs, including low- and moderate-income geographies and low- and moderate-income individuals.
- CNB provides a relatively high level of community development services, which had a significant positive impact on the Service Test rating.

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout 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. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

Census Tract (CT): A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community Development: 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 the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development.

Activities that revitalize or stabilize-

- (i) Low-or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
 - a. Rates of poverty, unemployment, and population loss; or
 - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

Community Reinvestment Act (CRA): the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, 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, home equity 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 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 do 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). Beginning in 2004, the reports also include data on loan pricing, the lien status of the collateral, any requests for preapproval and loans for manufactured housing.

Home Mortgage Loans: Such loans include home purchase, home improvement, and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

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 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 income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

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 MA/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development 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 it and half below it.

Metropolitan Area (MA): Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget and any other area designated as such by the appropriate federal financial supervisory agency.

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

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

Other Products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

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.

Rated Area: A rated area is a state or multi-state metropolitan 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 area, the institution will receive a rating for the multi-state metropolitan 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) and the Thrift Financial Reporting (TFR) 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 One 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.

Description of Institution

The Citizens National Bank of Meridian (CNB) is an intrastate financial institution headquartered in Meridian, Mississippi. As of December 31, 2014, CNB had total assets of \$1.1 billion and deposits of \$955 million. CNB has 27 banking offices, 23 automated teller machines (ATMs), and 4 remote ATMs located in 4 AAs throughout Mississippi. CNB also has 49 branded ATMs located in CEFCO, Shell, or Texaco convenience stores throughout Mississippi and Alabama.

CNB is wholly owned by Citizens National Banc Corp., a one bank holding company also headquartered in Meridian, Mississippi. Citizens National Banc Corp also owns a subsidiary trust, Citizens National Statutory Trust I, which primarily serves as a stock issuance and transfer agency for the corporation. The statutory trust has no CRA impact on CNB's performance. At December 31, 2014, CNB accounted for 99.94 percent of the holding company's assets. During this evaluation period, CNB had no merger or acquisition activity and no branch openings or closings.

CNB is primarily a commercial lender. A breakdown of CNB's December 31, 2014 portfolio shows commercial loans (56.18 percent), residential real estate (33.47 percent), construction and land development (6.51 percent), consumer loans (3.74 percent), and all other loans (0.10 percent). Total loans of \$731 million represented 65.67 percent of total assets. Tier I capital was \$144 million.

CNB offers a wide-range of traditional deposit and loan products, including home purchase, refinance, and home equity loans. Other loan products include consumer, small business, and commercial loans. 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.

CNB does not retain its longer term, fixed-rate residential mortgage loans. These loans are underwritten and sold to secondary market investors. For 2012 and 2013, investors funded 502 mortgage loans. These loans are not included on CNB's Home Mortgage Disclosure Act Loan Activity Register (HMDA LAR), though CNB initiated the application process.

CNB's CRA performance was last evaluated as of October 14, 2011. Its overall performance was "Satisfactory." There are no legal, financial, or other factors that impede CNB from meeting the credit needs of the community.

CNB has four AAs. The largest AA consists of nine non-Metropolitan Statistical Area (nonMSA) counties located in Mississippi, which are Attala, Clarke, Jones, Lauderdale, Leake, Lowndes, Neshoba, Noxubee, and Wayne. CNB's headquarters is in Lauderdale County. CNB has 19 of its 27 branches and \$725 million in deposits in the non MSA AA, representing 75.6 percent of the bank's total deposit base. As of June 30, 2014, there were 20 financial service providers with branches in the nonMSA AA. CNB ranked second in total AA deposits, with a 13.63 percent market share. The five largest competitors in the AA include Trustmark National Bank, Regions Bank, Community Bank, The Citizens Bank of Philadelphia, and First State Bank. In total, these five competitors achieved a 47.36 deposit market share.

CNB's other three AAs include the Hattiesburg MSA, the Jackson MSA, and a portion of the Memphis MSA. In regards to the Memphis AA, CNB has branches located only in Mississippi. Therefore, this AA only includes those counties in the Memphis MSA that are located in Mississippi. CNB operates 2

banking offices in this AA. CNB's four AAs meet the requirements of the regulation, and do not arbitrarily exclude any areas including low- and moderate-income geographies.

The banking industry is modestly competitive in the state of Mississippi. As of June 30, 2014, CNB's statewide deposits totaled \$959 million. With a deposit market share of 2.00 percent, CNB ranked seventh among 104 financial institutions in Mississippi.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The evaluation period under the lending test includes all loans originated or purchased from January 1, 2012 through December 31, 2013. The evaluation period for CD loans and investments, retail banking services and CD services including all activities from October 15, 2011 through March 23, 2015.

The products evaluated included all loans subject to filing under the HMDA, and all small loans to businesses and small loans to farms subject to filing under CRA data collection. CD activities evaluated include all loans, investments, and services that meet the regulatory definition.

Data Integrity

The OCC performed a data integrity review in February 2015. We reviewed the accuracy of CNB's HMDA and CRA lending data. We also reviewed the data collection, reporting, and monitoring processes. Based on our transactional testing, we deemed the loan data to be accurate, and we determined that the monitoring and reporting processes have not changes since the last examination and remain adequate.

Selection of Areas for Full-Scope Review

We completed a full-scope review of the nonMSA and Hattiesburg MSA AAs. These two AAs represent 84 percent of CNB's deposit base, 85 percent of its lending activity, and 81 percent of its branching network. We conducted a limited-scope review of the Jackson MSA and Memphis AAs. Refer to the table in appendix A for more information.

Ratings

CNB's overall rating is based primarily on lending performance in the nonMSA and Hattiesburg MSA AAs, which received full-scope reviews. Overall, when comparing these two AAs, we placed greater weight on the nonMSA AA, as this AA represents 76 percent of CNB's deposits and 75 percent of its reportable loans.

CNB made 794 small loans to businesses, 656 HMDA loans, and 159 small loans to farms during this evaluation period. Therefore, we placed more weight on small loans to businesses and HMDA loans, and the least weight on small loans to farms when drawing our conclusions.

In regards to individual HMDA loans, 30 percent were home purchase loans, 20 percent were home improvement loans, and 48 percent were refinance loans. Therefore, we placed more weight on refinance loans, followed by home purchase loans, and then home improvement loans when drawing our conclusions. For the purposes of the Lending Test, we did not review multi-family loans, as CNB made an insufficient number of loans to perform a meaningful analysis (11 loans).

The above weighting is reflective of CNB's lending strategy and overall lending performance during this evaluation period.

Community Contact

There are many opportunities for CNB to make CD loans and investments and provide CD services in its AAs. We identified 3 Community Development Corporations (CDCs), 2 Community Development Financial Institutions (CDFIs), and several CD organizations that provide affordable housing and community services to low- and moderate-income individuals.

During this examination, we contacted two Community Development Organizations, one located in the nonMSA and one in the Hattiesburg MSA, to discuss the community's credit needs and opportunities. Information obtained from these community contacts contributed to the evaluation of CNB's performance. The nonMSA contact indicated that there was a need for small business redevelopment loans. The Hattiesburg MSA contact indicated that there was a need for consumer and small business loans to address short-term funding needs. Both community contacts indicated that financial literacy education and after school programs were opportunities within their respective communities.

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 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 assessment area by an affiliate whose loans have been considered as part of the bank's or FSA's lending performance.

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.

Conclusion with Respect to Performance Test

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

CNB's performance under the lending test is rated "Outstanding." Based on the full-scope reviews, CNB's performance in the nonMSA AA is excellent and its performance in the Hattiesburg MSA AA is good. Examiners placed more weight on the nonMSA AA to arrive at the overall rating.

Lending Activity

Lending levels reflect good responsiveness to the AAs' credit needs considering the level of competition for all loan types in the AAs. CNB's good performance in originating home mortgage loans, small business loans, and small farm loans, when compared to its local competitors, supports this rating.

Refer to Table 1 Lending Volume in appendix D for the facts and data used to evaluate lending activity.

NonMSA

CNB's lending activity in the nonMSA AA reflects good responsiveness to the AA's credit needs. Based upon FDIC Deposit Market data, as of June 30, 2014, CNB had a 13.63 percent deposit market share, ranking second (2nd) among 20 depository institutions in the AA.

Based on 2013 HMDA Peer Data, CNB had a market share of 3.44 percent and ranked ninth (9th) among 118 reporting lenders for home purchase loans. For home improvement loans, CNB ranked fifth (5th) among 41 reporting lenders in the AA with a 9.28 percent market share. For home refinance loans, CNB ranked ninth (9th) among 136 reporting lenders in the AA with a 3.15 percent market share. In terms of small loans to businesses, CNB ranked fifth (5th) among 47 reporting lenders in the AA with a 9.23 percent market share. CNB had a 15.60 percent market share of small loans to farms, ranking fourth (4th) among 19 reporting lenders in the AA. CNB's lending activity is good considering its deposit and lending market share, and the competition in the AA.

Hattiesburg MSA

CNB's lending activity in the Hattiesburg AA reflects good responsiveness to the AA's credit needs. Based upon FDIC Deposit Market data, as of June 30, 2014, CNB has a 3.18 percent deposit market share, ranking eighth (8th) among 17 depository institutions in the AA.

Based on 2013 HMDA Peer Data, CNB had a market share of 0.97 percent and ranked twenty-first (21st) among 118 reporting lenders for home purchase loans. For home improvement loans, CNB ranked ninth (9th) among 41 reporting lenders in the AA with a 2.54 percent market share. For home refinance loans, CNB ranked twenty-second (22nd) among 131 reporting lenders in the AA with a 1.06 percent market share. In terms of small loans to businesses, CNB ranked twelfth (12th) among 37 reporting lenders in the AA with a 2.22 percent market share.

Distribution of Loans by Income Level of the Geography

Overall, the geographic distribution of CNB's lending is excellent. The geographic distribution of HMDA loans is good. The distribution of small loans to businesses is excellent and the distribution of small loans to farms is adequate. In performing our analysis, we placed greater weight on CNB's small loans to businesses, as it represents the majority of the reportable lending activity.

Home Mortgage Loans

The overall geographic distribution of home mortgage loans reflects good penetration throughout the AAs.

Refer to Tables 2, 3, 4, and 5 in appendix D for the facts and data used to evaluate the geographic distribution of CNB's originations and purchases of home mortgage loans.

NonMSA

The overall geographic distribution of home mortgage loans in the nonMSA AA is good.

The overall geographic distribution of home purchase loans is adequate. The percentage of loans made in low-income census tracts is well below the percentage of owner-occupied housing units in these geographies. The percentage of loans originated in moderate-income geographies is below the percentage of owner-occupied housing units in these areas. CNB's market share in both low and moderate-income census tracts exceeds its overall market share.

The overall geographic distribution of home improvement loans is excellent. The percentage of loans made in both low- and moderate-income census tracts exceeds the percentage of owner-occupied housing units in these geographies. CNB's market share in low-income census tracts exceeds its overall market share. Whereas, its market share in moderate-income census tracts was near its overall market share for home improvement loans.

The overall geographic distribution of home refinance loans is good. The percentage of loans made in low-income census tracts was below the percentage of owner-occupied housing units in these geographies. The percentage of loans originated in moderate-income geographies exceeds the percentage of owner-occupied housing units in these areas. CNB's market share in low-income census tracts was well below its overall market share for home refinance loans. Whereas, its market share in moderate-income census tracts exceeds its overall market share.

We did not analyze multi-family loans. CNB originated four multifamily loans in the nonMSA AA during the evaluation period. This is too few loans to perform a meaningful analysis.

Hattiesburg MSA

The overall geographic distribution of home mortgage loans in the Hattiesburg MSA AA is excellent.

The overall geographic distribution of home purchase loans is excellent. The percentage of loans made in both low- and moderate-income census tracts exceeds the percentage of owner-occupied housing units in these geographies. CNB's market share in both low- and moderate-income census tracts also exceeds its overall market share for home purchase loans.

The overall geographic distribution of home refinance loans is also excellent. The percentage of loans made in both low- and moderate-income census tracts exceeds the percentage of owner-occupied housing units in these geographies. CNB's market share in both low- and moderate-income census tracts also exceeds its overall market share for home refinance loans.

CNB originated eight (8) home improvement and four (4) multifamily loans in the Hattiesburg MSA AA during the evaluation period. For both loan types, this is too few loans to perform a meaningful analysis.

Small Loans to Businesses

Overall, the geographic distribution of small loans to businesses is excellent.

Refer to Table 6 in appendix D for the facts and data used to evaluate the geographic distribution of CNB's originations and purchases of small loans to businesses.

NonMSA

The geographic distribution of small loans to businesses is excellent. The percentage of loans in low-income census tracts exceeds the percentage of businesses in these geographies. The percentage of loans in moderate-income census tracts is near to the percentage of businesses in these geographies. CNB's market share in low-income census tracts exceeds its overall market share for small loans to businesses. Its market share in moderate-income census tracts is near to its overall market share for small loans to businesses.

Hattiesburg MSA

The geographic distribution of small loans to businesses is excellent. The percentage of loans originated in low-income census tracts is near to the percentage of businesses in these geographies. The percentage of loans originated in moderate-income census tracts exceeds the percentage of businesses in these geographies. CNB's market share in low-income census tracts is near to its overall market share for small loans to businesses. Its market share in moderate-income census tracts exceeds its overall market share.

Small Loans to Farms

Overall, the geographic distribution of small loans to farms is adequate.

Refer to Table 7 in appendix D for the facts and data used to evaluate the geographic distribution of CNB's originations and purchases of small loans to farms.

NonMSA

The geographic distribution of small loans to farms is adequate. CNB made no small loans to farms in low-income census tracts during the evaluation period; therefore, its market share was zero. CNB's ability to make loans to farms in low-income census tracts was significantly limited due to the low count of farms (7) in such census tracts. However, the percentage of loans originated in moderate-income census tracts exceeds the percentage of farms in these geographies. CNB's market share in moderate-income census tracts exceeds its overall market share for small loans to farms.

Hattiesburg MSA

We did not analyze small loans to farms in this AA, as the volume of small loans to farms made in this AA was insufficient to perform a meaningful analysis. CNB originated one small loan to a farm in the Hattiesburg MSA AA during the evaluation period.

Lending Gap Analysis

We reviewed summary reports and maps to analyze CNB's home mortgage and small business lending during the evaluation period to identify any gaps in the geographic distribution of loans. We did not identify any unexplained conspicuous gaps in CNB's lending activity. The AAs consist of whole geographies, meet the requirements of the CRA regulation, and do not arbitrarily exclude any low- or moderate-income areas.

Inside/Outside Ratio

CNB originated a substantial majority of all loan products inside its AAs.

Overall, 86 percent of the number and 84 percent of dollar amount of loans originated during the evaluation period were inside the AAs. Based on individual loan product, 84 percent of home purchase loans, 88 percent of home improvement loans, and 88 percent of refinance loans were made inside the AAs. In addition, 88 percent of small loans to businesses and 75 percent of small loans to farms were originated inside the AAs.

This ratio is a bank-wide calculation, and is not calculated by individual rating area or AA. This analysis is limited to bank originations and purchases, and does not include any affiliate data.

Distribution of Loans by Income Level of the Borrower

Overall, the borrower distribution is adequate. The distribution of HMDA loans is poor, but the distribution of small loans to businesses and farms is good. As previously noted, in performing our analysis, we placed greater weight on small business lending as it represented the majority of CNB's reportable lending activity.

In evaluating the distribution of loans by income level, we considered demographic information that could hamper CNB's ability to lend to low-income families. In reviewing the demographic information, we noted that approximately 22 percent of the households in the nonMSA AA live below the poverty level, which would make it difficult for those individuals to purchase and maintain a home. We also determined that based on the 2010 updated median family income (MFI) of \$40,980, low-income families would earn less than \$20,490 and moderate-income families earn less than \$32,784.

Home Mortgage Loans

The overall borrower distribution of home mortgage loans is poor.

Refer to Tables 8, 9, and 10 in appendix D for the facts and data used to evaluate the borrower distribution of CNB's originations and purchases of home mortgage loans.

NonMSA

The overall borrower distribution of home mortgage loans in the nonMSA AA is poor.

The overall borrower distribution of home purchase loans is very poor. The percentage of loans made to both low- and moderate-income borrowers was significantly below the percentage of low- and moderate-income families in the AA. CNB's overall market share of loans to low-income borrowers was significantly below its overall market share for home purchase loans. CNB's market share of loans to moderate-income borrowers was below its overall market share for home purchase loans.

The overall borrower distribution of home improvement loans is poor. The percentage of loans made to low-income borrowers was well below the percentage of low-income families. The percentage of loans made to moderate-income borrowers was below the percentage of moderate-income families. CNB's overall market share of loans to both low and moderate-income borrowers was well below its overall market share for home improvement loans.

The overall borrower distribution of home refinance loans is poor. The percentage of loans made to low-income borrowers was well below the percentage of low-income families. The percentage of loans made to moderate-income borrowers was significantly below the percentage of moderate-income families. CNB's overall market share of loans to low-income borrowers exceeds its overall market share

for home refinance loans. CNB's market share of loans to moderate-income borrowers was significantly below its overall market share.

Hattiesburg MSA

The overall borrower distribution of home mortgage loans in the Hattiesburg MSA AA is very poor.

The overall distribution of home purchase loans is very poor. The percentage of loans made to both low- and moderate-income borrowers was significantly below the percentage of low- and moderate-income families in the AA. During the evaluation period, CNB made no home purchase loans to low or moderate-income individuals.

The overall borrower distribution of home refinance loans is poor. The percentage of loans made to low-income borrowers was well below the percentage of low-income families. The percentage of loans made to moderate-income borrowers was significantly below the percentage of moderate-income families. CNB's overall market share of loans to low-income borrowers exceeds its overall market share for home refinance loans. CNB's market share of loans to moderate-income borrowers was significantly below its overall market share.

Small Loans to Businesses

Overall, the borrower distribution of small loans to businesses is good.

Refer to Table 11 in appendix D for the facts and data used to evaluate the borrower distribution of CNB's originations and purchases of small loans to businesses.

NonMSA

The borrower distribution of small loans to businesses is good. The percentage of small loans to businesses with gross annual revenues of \$1 million or less was near to the percentage of small businesses in the AA. CNB's market share of loans to small businesses exceeds its overall market share of small loans to all businesses. During the evaluation period, 67 percent of the number of loans originated were for amounts of \$100,000 or less and this illustrates CNB's willingness to meet the small dollar needs of businesses.

Hattiesburg MSA

The borrower distribution of small loans to businesses is good. The percentage of small loans to businesses with gross annual revenues of \$1 million or less was near to the percentage of small businesses. CNB's market share of loans to small businesses exceeds its overall market share of small loans to businesses.

Small Loans to Farms

Overall, the borrower distribution of small loans to farms is adequate.

Refer to Table 12 in appendix D for the facts and data used to evaluate the borrower distribution of CNB's originations and purchases of small loans to farms.

NonMSA

The borrower distribution of small loans to farms is adequate. The percentage of small loans to farms with gross annual revenues of \$1 million or less was below the percentage of small farms in the AA. CNB's market share of loans to small farms exceeds its overall market share of small loans to all farms.

Hattiesburg MSA

We did not analyze small farm loans in the Hattiesburg MSA as CNB made one small loan to a farm during the evaluation period. This is an insufficient volume to perform a meaningful analysis.

Community Development Lending***Conclusions for Areas Receiving Full-Scope Reviews***

Refer to Table 1 in appendix D for the facts and data used to evaluate CNB's level of community development lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multi-family loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

NonMSA

Based on the number and dollar volume of loans made, and the identified needs in the nonMSA AA, CNB is a leader in making CD loans in this AA. During this evaluation period, CNB made 25 qualified CD loans in the nonMSA AA totaling \$18.7 million, and representing 18.51 percent of allocated Tier I capital. The CD loans were not innovative or flexible in nature, but did meet identified needs in the community. The high volume of CD loans had a significant positive impact on CNB's lending test performance.

The loans were primarily to provide affordable housing to low- or moderate-income individuals or to small businesses, which created new jobs for low- or moderate-income individuals or geographies. Specific examples that highlight the CNB's activities include:

- A \$2.4 million loan to a company to refinance the construction loan for a local hotel in a moderate-income tract that created 16 new jobs for low- and moderate-income individuals.
- A \$2.8 million loan to a company to construct medical clinic in a non-metropolitan distressed middle-income tract.
- Seventeen loans, totaling \$2 million, to small businesses to purchase or rehabilitate single- and multi-family rental units located in low- and moderate-income census tracts, that primarily serve low- and moderate-income families and individuals.
- A \$70,000 loan to a nonprofit organization, which serves low- to moderate-income individuals, to cover donation shortfalls.
- A \$600,000 loan to a small business in a moderate-income geography for building repairs, creating jobs for low- to moderate-income individuals.

Hattiesburg MSA

During this evaluation period, CNB made 10 qualified CD loans in the Hattiesburg MSA totaling \$11 million, and representing 64.64 percent of allocated Tier I capital. The CD loans were not innovative or flexible in nature, but did meet identified needs in the community and had a significant positive impact on CNB's lending test performance.

The loans were primarily to provide affordable housing to low- or moderate-income individuals or to small businesses, which created new jobs for low- or moderate-income individuals or geographies. Specific examples that highlight the CNB's activities include:

- A \$1.9 million loan on a 60-unit apartment complex, located in a moderate-income census tract primarily serving low- and moderate-income families and individuals.
- A \$2 million loan on a 103-unit apartment complex, located in a moderate-income census tract primarily serving low- and moderate-income families and individuals.
- Five loans, totaling \$2.8 million, to small businesses to purchase or rehabilitate single- and multi-family rental units, located in a low- and moderate-income census tract primarily serving low and moderate-income families and individuals.

Product Innovation and Flexibility

No innovative or flexible loan products were provided for consideration. This had a neutral impact on CNB's lending test performance.

During the evaluation period, CNB offered a standard product mix of loans including VA and SBA loans. In addition, CNB recently expanded its Community Development Program and secured a Community Development Financial Institution (CDFI) certification in February 2015. The CDFI certification will allow the bank to increase economic opportunity and promote community development investments for underserved populations and in distressed communities.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, CNB's performance under the lending test in the Jackson and Memphis AAs is weaker than its overall Outstanding performance under the Lending Test. We did not analyze home improvement, multi-family, or small farm loans in any of the limited-scope areas, as the bank made a nominal number of loans in all three markets.

Overall, CNB's geographic distribution and distribution by income level was weaker in these markets than the nonMSA and Hattiesburg AAs. This assessment did not have a negative impact on the Lending Test rating, as these AAs represent a small percent of CNB's overall lending activity and deposit base.

Refer to Tables 1 through 13 in appendix D for the facts and data that support these conclusions

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

CNB's performance under the investment test is rated "High Satisfactory." Based on full-scope reviews, CNB's performance in the nonMSA AA and the Hattiesburg MSA is good.

Refer to Table 14 in appendix D for the facts and data used to evaluate CNB's level of qualified investments.

NonMSA

CNB has ample opportunities to make qualified CD investments in the nonMSA AA. A qualified investment for the purposes of this evaluation is a lawful investment, deposit, donation, membership share, or grant that has community development as its primary purpose. Based on these identified opportunities, CNB's level of CD investments in this AA is excellent.

Qualified investments in the nonMSA AA during the evaluation period totaled \$17.4 million, consisting of equity investments, grants, and donations. During the evaluation period, the outstanding prior period investments were approximately \$4.8 million. Investments made in prior periods continue to have a positive impact on the AA. CNB's total investment amount represented 17.31 percent of allocated Tier I capital.

Of the \$17.4 million in qualified investments, \$38,000 consists of qualified grants and donations to CD organizations. These organizations are involved in providing economic development, providing community services for low- or moderate-income individuals or affordable housing for low- or moderate-income individuals. The investments were not innovative or flexible in nature, but represented excellent responsiveness to the critical needs of the AA. The investments also supported community development services targeted to small businesses or low- and moderate-income individuals in the bank's non-MSA.

Some specific examples of these investments include:

- Two Urban Renewal Revenue Bonds totaling \$4.45 million, the proceeds of which were used to construct and equip a law enforcement center and related facilities as part of the City's approved Urban Renewal Plan and Urban Renewal Authority to use new market tax credits.
- Seven Municipal School Bonds totaling \$407,000, the proceeds of which were used to purchase, erect, repair, or remodel school buildings and related facilities where a substantial majority of the students are from families whose income is less than 80 percent of the median family income.
- \$38,000 in grants and donations to 15 CD organizations, including Helping Hands Ministries, Loaves and Fishes, LOVE's Kitchen, Inc., Meridian Board of Realtors, Inc., Multi-County Community Services, Oprah Winfrey Boys & Girls Club, Palmer House for Children, Southern Christian Services, The Trust, The Montgomery Institute, and United Way of East Mississippi.

Hattiesburg MSA

CNB has ample opportunities to make qualified CD investments in the Hattiesburg AA. Based on these identified opportunities, CNB's level of CD investments in this AA is very poor.

During the evaluation period, CNB made four qualified donations totaling \$4,800. The recipients of these donations have historically targeted services to low- and moderate-income individuals. Examples include Fieldhouse for the Homeless, Homes of Hope for Children, Lifeline Children's Services, and the Salvation Army Boys and Girls Club. The investments were not innovative or flexible in nature, but represented adequate responsiveness to the critical needs of the AA. The investments also supported community development services targeted to low- and moderate-income individuals in the Hattiesburg MSA. The total investment amount represented 0.04 percent of allocated Tier I capital.

Outside Assessment Area Investments

During the review period, CNB invested in Certificates of Deposits in four minority- and women-owned financial institutions, totaling \$997,000. The Community Reinvestment Act (CRA) recognizes the importance of supporting minority- and women-owned financial institutions and low-income credit unions (MWLI).

The investments were not innovative or flexible in nature, but were responsive to the credit needs and supported community development services targeted to low- and moderate-income individuals in the local communities in which the MWLI financial institution is chartered.

In addition, during the review period, CNB maintained \$10 million of outstanding prior period investments outside of the AAs, but within the state of Mississippi. These consisted of Mississippi Development Bank Special Obligation Bonds and school district bonds to fund capital projects and improvements that benefit low- and moderate-income individuals. Investments made in prior periods continue to have a positive impact on the AA.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on a limited-scope review, CNB's performance under the investments test in the Jackson MSA and Memphis AAs is weaker than its overall "High Satisfactory" performance under the investments test. This assessment did not have a negative impact on the Investments Test rating, as the AAs represent a small percent of the bank's lending activity and deposit base.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

CNB's performance under the Service Test is rated "High Satisfactory." Based on full-scope reviews, CNB's performance in the nonMSA AA is good. CNB's performance in the Hattiesburg MSA AA is adequate. More weight was given to the performance in the nonMSA AA than the Hattiesburg MSA AA. The overall Service Test rating was elevated based on a high level of CD services in the nonMSA AA, which demonstrates excellent responsiveness to addressing community needs.

Retail Banking Services

Refer to Table 15 in appendix D for the facts and data used to evaluate the distribution of CNB's branch delivery system and branch openings and closings.

CNB provides retail banking services for the State of Mississippi rating areas in a manner that reflects adequate responsiveness to the banking needs of borrowers of different income levels and for different geographies.

NonMSA

CNB's retail delivery systems are reasonably accessible to geographies and borrowers of different income levels, including low- and moderate-income areas and individuals. The branch distribution in the AA is adequate. CNB does not have any branches in low-income census tracts. However, there are only three low-income census tracts in this AA and only 3.62 percent of the population reside in these tracts. In addition, two of CNB's six branches in moderate-income tracts are near a low-income tract. The percentage of CNB's branches in moderate-income tracts significantly exceeds the percentage of the population living in these geographies. CNB did not open or close any banking offices in this AA during this evaluation period.

In addition to the traditional banking offices, CNB has 16 automated teller machines (ATMs) located at branch locations and four standalone ATMs within this AA. Two ATMs are located in moderate-income tracts, and one standalone ATM is located in a low-income tract. CNB also has several branded ATMs in this AA that are located in gas stations. CNB customers can use these ATMs without being assessed a service fee. The gas stations own the ATMs, and CNB pays the service fee for the customer's use. CNB has 33 ATMs located in Texaco, Shell, and CEFECO gas stations in this AA. Of

the 33 branded ATMs, three are located in moderate-income tracts and two are located in the low-income tracts.

CNB's standard hours of operation are 9:00 a.m. until 5:00 p.m. Monday through Friday. CNB offers extended banking hours until 6:00 p.m. weekdays in two offices; one office is located in an upper-income tract and the other located in a middle-income tract. CNB also offers Saturday banking from 9:00 a.m. until noon in eight offices, of which two are located in moderate-income tracts. Overall, CNB's banking hours in moderate-income geographies are consistent with the standard hours of operation offered in higher income-geographies, and do not vary in a way that inconveniences portions of the AA.

Given the aggregate offering of products and services, and the reasonable banking hours for the 19 banking offices, CNB has continued to provide adequate responsiveness to meeting the banking needs of the community.

Hattiesburg MSA

CNB has three banking offices in this AA, of which two are in moderate-income tracts. The delivery of banking services in this AA is reasonably accessible to all areas and individuals including low- and moderate-income. The bank has no offices in low-income tracts. CNB's distribution of branches in moderate-income tracts (66.66 percent) significantly exceeds the percentage of moderate-income population in the AA (22.48 percent). CNB also operates three ATMs in all three branches in this AA.

Overall, CNB has continued to provide adequate services that are responsive to the banking needs of the community throughout the evaluation period.

The hours of operation and product and service offerings in the moderate-income geographies are consistent with those offered in the middle- and upper-income geographies and generally do not vary in a way that inconveniences certain portions of the AA. CNB provides Saturday banking hours at one office in a moderate-income tract within the AA.

Alternative Delivery Systems

CNB provides alternative systems for banking services including internet banking, telephone banking, electronic bill pay, and mobile and text banking. CNB also offers a Bank at Work program, whereby bank employees visit local businesses and offer banking services. A substantial majority of the employees of these businesses are low- and moderate-income. During this evaluation period, CNB held 480 Bank at Work events, which resulted in CNB opening 640 new deposit accounts.

Community Development Services

NonMSA AA

The level of CD services provided in this AA is excellent. CNB serves as a leader in this AA in providing CD services, and demonstrates an excellent responsiveness to meeting the needs of the community. During this evaluation period, CNB employees provided financial services including workshops and financial literacy classes, and participated in leadership roles in numerous community development organizations. Some specific examples are as follows:

- Bank employees taught 27 sessions of the FDIC Money Smart financial literacy class to numerous organizations throughout the AA. Over 800 individuals attended these sessions.
- Bank employees taught two basic banking sessions to qualified community development organizations. Twenty-three individuals attended these sessions.

- Bank employees presented seven first time homebuyers workshops to individuals residing in the AA. Eighty-nine individuals attended these sessions.
- Bank employees presented seven small business workshops covering the basics of banking and the process for applying for a small business loan. Over 200 individuals attended.

About 32 bank employees also provide financial services to 21 qualified community development organizations. Some examples of these services include:

- Serving on the executive board, loan committee, or as an alternate board member for a development corporation that provides financing to local businesses who cannot qualify for traditional financing
- Serving on the scholarship committee for an organization that provides funds for women who are returning to the work force, with over 75 percent of scholarship recipients being low- or moderate-income
- Serving as a board member or vice president of the board for two organizations that provide meals to the homeless or to the working poor

Hattiesburg MSA

During this evaluation period, CNB provided technical services to five qualified community development organizations. The level of services provided is poor given the ample opportunities to provide CD services in the AA.

Employees taught two Money Smart financial literacy classes and sponsored two first time homebuyer seminars during this evaluation period. Thirty-seven individuals attended the Money Smart classes and 44 individuals attended the First Time Homebuyers workshops. In addition, CNB also hosted a small business workshop where 27 individuals attended the workshop.

In addition, two bank employees provide financial services to three qualified community development organizations. These employees serve as President of the Board, board member, finance board, and as a member of the financial services education committee for organizations that provide community services and financial education to low- and moderate-income individuals.

CNB 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 also pays a marketing company to write radio scripts for these organizations. CNB's marketing team is responsible for administering the program by scheduling the radio air time with local radio stations. During this evaluation period, CNB invested over \$90,000 in radio air time on behalf of these organizations.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, CNB's performance under the Service Test in the Jackson and Memphis MSA AAs is weaker than its overall performance. CNB has no banking offices in low- or moderate-income geographies in the Jackson or Memphis AAs. In addition, CNB's level of community development services is weaker in these markets than in the full-scope AAs.

CNB's performance in these markets did not have a significant impact on the overall Service Test rating as it has a limited presence in these markets.

Refer to Table 15 in appendix D for the facts and data that support these conclusions.

Appendix A: Scope of Examination

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

Time Period Reviewed	Lending Test (excludes CD Loans): (01/01/12 to 12/31/13) Investment and Service Tests and CD Loans: (10/15/11 to 03/23/15)	
Financial Institution	Products Reviewed	
Citizens National Bank 512 22 nd Avenue Meridian, MS, 39301	HMDA, Small Loans to Businesses, Small Loans to Farms and CD Loans	
Affiliate(s)	Affiliate Relationship	Products Reviewed
N/A		
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
NonMSA (Nine Counties) - Attala - Clarke - Jones - Lauderdale - Leake - Lowndes - Neshoba - Noxubee - Wayne Hattiesburg MSA Jackson MSA Memphis MSA	Full-Scope Full-Scope Limited Scope Limited-Scope	

Appendix B: Summary of State Rating(s)

RATINGS Citizens National Bank Meridian, MS				
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State Rating
Citizens National Bank Meridian, MS	Outstanding	High Satisfactory	High Satisfactory	Satisfactory
State:				
Mississippi	Outstanding	High Satisfactory	High Satisfactory	Satisfactory

(*) The lending test is weighted more heavily than the investment and service tests in the overall rating.

Appendix C: Market Profiles for Full-Scope Areas

State of Mississippi Full-Scope Areas

Nonmetropolitan Assessment Area

Demographic Information for Full Scope Area: NonMSA AA - CNB						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	76	3.95	21.05	44.74	28.95	1.32
Population by Geography	329,870	3.62	18.86	49.29	28.23	0.00
Owner-Occupied Housing by Geography	88,417	2.34	15.59	50.40	31.67	0.00
Business by Geography	24,076	3.90	23.04	47.86	25.16	0.03
Farms by Geography	932	0.75	22.64	52.15	24.46	0.00
Family Distribution by Income Level	85,861	23.48	16.64	16.63	43.25	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	34,449	6.50	24.56	49.49	19.45	0.00
Median Family Income		40,980	Median Housing Value		83,130	
HUD Adjusted Median Family Income for 2014		40,980	Unemployment Rate (2010 US Census)		4.40%	
Households Below Poverty Level		22%				

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2010 US Census and 2014 HUD updated MFI

The nonMSA AA is located in eastern Mississippi and encompasses nine counties including Attala, Clarke, Jones, Lauderdale, Leake, Lowndes, Neshoba, Noxubee, and Wayne. The designated AA meets the legal requirements of the regulation and does not arbitrarily exclude any areas including low- and moderate-income census tracts.

The nonMSA AA is the largest of CNB's four AAs. There are 76 census tracts in this AA, of which 3 are low-income, 16 moderate-income, 33 middle-income, 23 upper-income and 1 NA. In this AA, CNB operates 19 banking offices, of which zero are located in the low-income tracts, 6 in moderate-income tracts, 9 in middle-income tracts and 4 in upper-income tracts. CNB also has an ATM (bank-owned) at 16 of its 19 banking offices, 4 stand-alone ATMs, and 33 branded ATMs located in convenience stores. The nonMSA AA represents 70 percent of CNB's branching network, 75 percent of its lending activity, and 75.6 percent of its deposit base.

According to the FDIC, CNB has the second highest deposit market share in the nonMSA AA at 13.63 percent. Trustmark National Bank has the highest deposit market share at 14.55 percent. Competition in the AA is modest and includes regional and community banks such as Regions Bank, Community Bank, Citizens Bank of Philadelphia, Cadence Bank, First State Bank, and Magnolia State Bank.

During this examination, we contacted a Community Development Organization that operates in the AA to discuss community credit needs and opportunities. The contact indicated that there was a need for small business redevelopment loans. Financial literacy education and after school programs were also identified as additional opportunities within the AA.

Unemployment rates for the counties range from a low of 5.2 percent for Neshoba and Jones counties, to a high of 10.6 percent for Noxubee County. Of the nine counties in the AA, five have unemployment rates that exceed the state and national averages of 6.8 and 5.4 percent, respectively.

Employment within the AA is heavily dependent on the healthcare and government industries. According to East MS Business Development Corp., the largest employers in the AA are: Meridian Naval Air Station (3,000 employees), Rush Hospital (2,610 employees), East MS Hospital (1,500 employees), MS Air National Guard (1,100 employees), Meridian Public School District (1,000 employees), and Anderson Hospital (1,275 employees).

Hattiesburg Metropolitan Statistical Area

Demographic Information for Full Scope Area: Hattiesburg MSA - CNB						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	28	10.71	28.57	35.71	25.00	0.00
Population by Geography	142,842	10.03	22.48	34.13	33.37	0.00
Owner-Occupied Housing by Geography	34,598	5.57	13.85	41.19	39.39	0.00
Business by Geography	11,221	10.37	22.23	32.48	34.92	0.00
Farms by Geography	307	6.84	10.75	37.79	44.63	0.00
Family Distribution by Income Level	34,553	24.16	16.65	17.51	41.68	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	14,101	16.87	25.69	36.88	20.57	0.00
Median Family Income		50,693	Median Housing Value		118,469	
HUD Adjusted Median Family Income for 2014		50,693	Unemployment Rate (2010 US Census)		3.76%	
Households Below Poverty Level		21%				

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2010 US Census and 2014 HUD updated MFI

The Hattiesburg MSA AA is located in southern Mississippi and encompasses three counties including Forrest, Lamar, and Perry. The designated AA meets the legal requirements of the regulation and does not arbitrarily exclude any areas including low- and moderate-income census tracts.

The Hattiesburg MSA AA consists of 29 census tracts, of which 3 are low-income, 8 moderate-income, 11 middle-income, and 7 upper-income. In this AA, CNB operates three banking offices and three bank-owned ATMs. This AA represents 11 percent of CNB's branching network, 10 percent of its lending activity, and 8.60 percent of its deposit base.

According to the FDIC, CNB has the eighth highest deposit market share in the AA at 3.18 percent. BancorpSouth Bank has the highest deposit market share at 24.73 percent. Competition in the AA is modest and includes regional and community banks such as Regions Bank, Trustmark National Bank, Wells Fargo Bank, Whitney Bank, PriorityOne Bank, and Citizens Bank of Philadelphia.

During this examination, we contacted a Community Development Organization in the AA to discuss community credit needs and opportunities. The contact indicated that there was a need for consumer and small business loans to address short-term funding needs. Financial literacy education and after school programs were also identified as additional opportunities within the AA.

Unemployment rates range from a low of 4.2 percent for Lamar County to a high of 7.0 percent for Perry County, which exceeds the state and national averages of 6.8 and 5.4 percent, respectively. Two of the counties in the AA have unemployment rates below the state and national averages.

Employment within the AA is heavily dependent on the healthcare and government industries. According to Area Development Partnership, the largest employers in the AA are: Forrest General (3,021 employees), University of Southern MS (2,300 employees), Hattiesburg Clinic (2,218 employees), Camp Shelby (2,000 employees), Lamar County School District (1,300 employees), and Wesley Medical Center (1,222 employees).

Appendix D: Tables of Performance Data

Content of Standardized Tables

References to the “bank” include activities of any affiliates that CNB 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 as originations/purchases and market share is the number of loans originated and purchased by CNB as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area; (2) Partially geocoded loans (loans where no census tract is provided) cannot be broken down by income geographies and, therefore, are only reflected in the Total Loans in Core Tables 2 through 7 and part of Table 13; and (3) Partially geocoded loans are included in the Total Loans and % Bank Loans Column in Core Tables 8 through 12 and part of Table 13. Tables without data are not included in this PE.

The following is a listing and brief description of the tables:

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration. See Interagency Q&As __.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.
- Table 2. Geographic Distribution of Home Purchase Loans** - 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 market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 6. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses 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) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.

- Table 7. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 8. Borrower Distribution of Home Purchase Loans** - 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 MA/assessment area. The table also presents market share information based on the most recent aggregate market data available.
- Table 9. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10. Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.
- Table 12. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.
- Table 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL)** - For geographic distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households within each geography. For borrower distribution, the table 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 of households by income level in each MA/assessment area.

Table 14. Qualified Investments - Presents the number and dollar amount of qualified investments made by the bank in each MA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked, and recorded by the bank's financial reporting system.

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As __.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle-, and upper-income geographies to the percentage of the population within each geography in each MA/AA. The table also presents data on branch openings and closings in each MA/AA.

Tables of Performance Data

State of Mississippi

Table 1. Lending Volume

LENDING VOLUME		Geography: MISSISSIPPI				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013						
Assessment Area (2014):	% of Rated Area Loans (#), in MA/AA	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans **		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
Full Review:												
NonMSA AA	75.09	472	61,084	585	83,795	155	12,728	21	7,475	1,233	165,082	75.59
Hattiesburg MSA	10.29	86	19,770	72	18,540	1	253	10	7,008	169	45,571	8.61
Limited Review:												
Jackson MSA	12.00	71	18,246	121	30,388	3	330	2	5,075	197	54,039	11.99
Memphis AA	2.62	27	3,840	16	3,854	0	0	0	0	43	7,694	3.81

* Loan Data as of December 31, 2014. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Community Development Loans is from January 01, 2014 to December 31, 2014.

*** Deposit Data as of March 24, 2015. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: MISSISSIPPI					Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013					Market Share (%) by Geography				
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Over all	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
Full Review:																
NonMSA AA	134	68.37	2.34	1.49	15.59	11.94	50.40	35.82	31.67	50.75	3.40	6.67	3.77	2.17	4.61	
Hattiesburg MSA	28	14.29	5.57	10.71	13.85	17.86	41.19	14.29	39.39	57.14	0.92	4.65	1.10	0.16	1.17	
Limited Review:																
Jackson MSA	28	14.29	5.20	0.00	14.99	0.00	44.31	21.43	35.49	78.57	0.29	0.00	0.00	0.15	0.42	
Memphis AA	6	3.06	0.00	0.00	21.26	0.00	42.72	50.00	36.02	50.00	0.10	0.00	0.00	0.20	0.07	

* Based on 2013 Peer Mortgage Data -- US and PR

** Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT			Geography: MISSISSIPPI				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013					Market Share (%) by Geography				
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
Full Review:																
NonMSA AA	117	87.97	2.34	2.56	15.59	17.09	50.40	40.17	31.67	40.17	9.28	22.22	8.06	8.42	10.79	
Hattiesburg MSA	8	6.02	5.57	0.00	13.85	0.00	41.19	62.50	39.39	37.50	1.84	0.00	0.00	3.41	0.96	
Limited Review:																
Jackson MSA	7	5.26	5.20	14.29	14.99	0.00	44.31	57.14	35.49	28.57	0.30	0.00	0.00	0.46	0.29	
Memphis AA	1	0.75	0.00	0.00	21.26	0.00	42.72	0.00	36.02	100.00	0.00	0.00	0.00	0.00	0.00	

* Based on 2013 Peer Mortgage Data -- US and PR

** Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE			Geography: MISSISSIPPI				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013					Market Share (%) by Geography				
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies							
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overa ll	Low	Mod	Mid	Upp	
Full Review:																
NonMSA AA	217	68.67	2.34	1.84	15.59	23.96	50.40	35.48	31.67	38.71	3.09	1.92	6.71	2.21	3.10	
Hattiesburg MSA	43	13.61	5.57	6.98	13.85	20.93	41.19	37.21	39.39	34.88	1.12	3.33	2.23	1.15	0.74	
Limited Review:																
Jackson MSA	36	11.39	5.20	2.78	14.99	5.56	44.31	22.22	35.49	69.44	0.26	0.00	0.13	0.10	0.38	
Memphis AA	20	6.33	0.00	0.00	21.26	5.00	42.72	60.00	36.02	35.00	0.31	0.00	0.00	0.56	0.23	

* Based on 2013 Peer Mortgage Data -- US and PR

** Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: MISSISSIPPI					Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013					Market Share (%) by Geography				
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overa ll	Low	Mod	Mid	Upp	
	#	% of Total**	% of MF Units***	% BANK Loans****	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans						
Full Review:																
NonMSA AA	4	36.36	9.85	0.00	26.84	25.00	38.68	75.00	24.63	0.00	14.81	0.00	25.00	16.67	0.00	
Hattiesburg MSA	7	63.64	12.88	0.00	58.90	85.71	11.19	0.00	17.02	14.29	11.43	0.00	19.05	0.00	0.00	
Limited Review:																
Jackson MSA	0	0.00	17.25	0.00	18.84	0.00	39.86	0.00	24.04	0.00	0.00	0.00	0.00	0.00	0.00	
Memphis AA	0	0.00	0.00	0.00	29.73	0.00	62.03	0.00	8.24	0.00	0.00	0.00	0.00	0.00	0.00	

* Based on 2013 Peer Mortgage Data -- US and PR

** Multi-family loans originated and purchased in the MA/AA as a percentage of all multi-family loans originated and purchased in the rated area.

*** Percentage of Multi Family Units is the number of multi family units in a particular geography divided by the number of multifamily housing units in the area based on 2010 Census information.

**** Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES		Geography: MISSISSIPPI						Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013							
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography				
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
NonMSA AA	585	73.68	3.90	9.74	23.04	19.49	47.86	45.81	25.16	24.96	8.41	19.69	7.66	8.70	7.70
Hattiesburg MSA	72	9.07	10.37	9.72	22.23	25.00	32.48	16.67	34.92	48.61	2.22	1.96	3.19	1.22	2.83
Limited Review:															
Jackson MSA	121	15.24	10.49	5.79	13.89	4.13	41.13	33.06	34.49	57.02	0.73	0.45	0.64	0.73	0.86
Memphis AA	16	2.02	0.00	0.00	25.81	6.25	38.23	37.50	35.96	56.25	0.31	0.00	0.00	0.33	0.45

* Based on 2013 Peer Small Business Data -- US and PR

** Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

*** Source Data - Dun and Bradstreet (2013).

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS															Geography: MISSISSIPPI					Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013				
Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography													
	#	% of Total**	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	Overall	Low	Mod	Mid	Upp									
Full Review:																								
NonMSA AA	155	97.48	0.75	0.00	22.64	38.71	52.15	45.81	24.46	15.48	15.60	0.00	26.80	13.60	9.20									
Hattiesburg MSA	1	0.63	6.84	0.00	10.75	0.00	37.79	0.00	44.63	100.00	0.88	0.00	0.00	0.00	1.45									
Limited Review:																								
Jackson MSA	3	1.89	3.54	0.00	16.34	66.67	47.24	0.00	32.87	33.33	0.58	0.00	1.02	0.00	1.14									
Memphis AA	0	0.00	0.00	0.00	41.23	0.00	33.33	0.00	25.44	0.00	0.00	0.00	0.00	0.00	0.00									

* Based on 2013 Peer Small Business Data -- US and PR

** Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

*** Source Data - Dun and Bradstreet (2013).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: MISSISSIPPI								Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013					
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share				
	#	% of Total**	% Families***	% BANK Loans***	% Families ¹	% BANK Loans**	% Families***	% BANK Loans****	% Families**	% BANK Loans****	Overall	Low	Mod	Mid	Upp
Full Review:															
NonMSA AA	134	68.37	23.48	0.91	16.64	7.27	16.63	13.64	43.25	78.18	3.12	0.00	2.41	1.43	4.03
Hattiesburg MSA	28	14.29	24.16	0.00	16.65	0.00	17.51	22.22	41.68	77.78	0.87	0.00	0.00	0.49	1.47
Limited Review:															
Jackson MSA	28	14.29	22.93	0.00	16.24	4.35	18.24	13.04	42.59	82.61	0.34	0.00	0.00	0.21	0.62
Memphis AA	6	3.06	19.42	0.00	16.26	20.00	20.57	40.00	43.75	40.00	0.13	0.00	0.09	0.18	0.14

* Based on 2013 Peer Mortgage Data -- US and PR

** Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

*** Percentage of Families is based on the 2010 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 20.4% of loans originated and purchased by bank.

¹ Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: MISSISSIPPI						Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013							
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share				
	#	% of Total**	% Families***	% BANK Loans****	% Families ²	% BANK Loans****	% Families**	% BANK Loans****	% Families**	% BANK Loans****	Overall	Low	Mod	Mid	Upp
Full Review:															
NonMSA AA	117	87.97	23.48	5.31	16.64	11.50	16.63	29.20	43.25	53.98	9.78	6.49	5.77	14.86	9.56
Hattiesburg MSA	8	6.02	24.16	0.00	16.65	25.00	17.51	12.50	41.68	62.50	2.04	0.00	2.78	0.00	2.80
Limited Review:															
Jackson MSA	7	5.26	22.93	0.00	16.24	0.00	18.24	28.57	42.59	71.43	0.36	0.00	0.00	0.52	0.56
Memphis AA	1	0.75	19.42	0.00	16.26	0.00	20.57	0.00	43.75	100.00	0.00	0.00	0.00	0.00	0.00

* Based on 2013 Peer Mortgage Data -- US and PR

** Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

*** Percentage of Families is based on the 2010 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 3.0% of loans originated and purchased by bank.

² Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE			Geography: MISSISSIPPI				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013					Market Share [*]				
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers							
	#	% of Total ^{**}	% Families ^{***}	% BANK Loans ^{****}	% Families ³	% BANK Loans ^{****}	% Families [*] **	% BANK Loans ^{****}	% Families [*] **	% BANK Loans ^{***} *	Overa ll	Low	Mod	Mid	Upp	
Full Review:																
NonMSA AA	217	68.67	23.48	8.47	16.64	2.82	16.63	21.47	43.25	67.23	3.14	6.30	1.27	3.55	3.11	
Hattiesburg MSA	43	13.61	24.16	4.17	16.65	0.00	17.51	16.67	41.68	79.17	0.82	0.91	0.00	0.52	1.12	
Limited Review:																
Jackson MSA	36	11.39	22.93	0.00	16.24	3.45	18.24	6.90	42.59	89.66	0.29	0.00	0.00	0.13	0.45	
Memphis AA	20	6.33	19.42	10.00	16.26	0.00	20.57	10.00	43.75	80.00	0.21	0.34	0.00	0.11	0.31	

^{*} Based on 2013 Peer Mortgage Data -- US and PR

^{**} Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

^{***} Percentage of Families is based on the 2010 Census information.

^{****} As a percentage of loans with borrower income information available. No information was available for 24.1% of loans originated and purchased by bank.

³ Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: MISSISSIPPI			Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013				
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share	
	#	% of Total**	% of Businesses***	% BANK****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
NonMSA AA	585	73.68	71.54	68.72	66.50	16.75	16.75	8.41	11.50
Hattiesburg MSA	72	9.07	70.95	69.44	45.83	16.67	37.50	2.22	3.55
Limited Review:									
Jackson MSA	121	15.24	70.12	70.25	44.63	16.53	38.84	0.73	1.05
Memphis AA	16	2.02	71.37	50.00	43.75	31.25	25.00	0.31	0.22

* Based on 2013 Peer Small Business Data -- US and PR

** Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

*** Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2013).

**** Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 5.16% of small loans to businesses originated and purchased by the bank.

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Geography: MISSISSIPPI			Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013				
Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev\$ 1 Million or Less
Full Review:									
NonMSA AA	155	97.48	97.42	80.00	70.32	20.65	9.03	15.60	17.23
Hattiesburg MSA	1	0.63	96.74	100.00	0.00	0.00	100.00	0.88	1.12
Limited Review:									
Jackson MSA	3	1.89	97.64	100.00	33.33	66.67	0.00	0.58	0.76
Memphis AA	0	0.00	95.03	0.00	0.00	0.00	0.00	0.00	0.00

* Based on 2013 Peer Small Business Data -- US and PR

** Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

*** Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2013).

**** Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 0.63% of small loans to farms originated and purchased by the bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: MISSISSIPPI				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013			
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
NonMSA AA	15	4,850	45	12,610	60	17,460	99.9	0	0
Hattiesburg MSA	0	0	4	5	4	5	0.03	0	0
Limited Review:									
Jackson MSA	0	0	18	18	18	18	0.10	0	0
Memphis AA	0	0	7	3	7	3	0.02	0	0

* 'Prior Period Investments' means investments made in a previous 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.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS Geography: MISSISSIPPI Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013																	
MA/Assessment Area:	Deposit s	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposit s in AA	# of BANK Branch es	% of Rated Area Branch es in AA	Location of Branches by Income of Geographies (%)				# of Branch Openin gs	# of Branch Closing s	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Review:																	
NonMSA AA	75.59	19	70.37	0.00	31.58	47.37	21.05	0	0	0	0	0	0	3.62	18.86	49.29	28.23
Hattiesburg MSA	8.61	3	11.11	0.00	66.66	33.33	0.00	0	0	0	0	0	0	10.03	22.48	34.13	33.37
Limited Review:																	
Jackson MSA	11.99	3	11.11	0.00	0.00	33.33	66.66	0	0	0	0	0	0	9.93	17.05	43.52	29.50
Memphis AA	3.81	2	7.41	0.00	0.00	50.00	50.00	0	0	0	0	0	0	0.00	24.32	43.34	32.34

