



# LARGE BANK

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## **PUBLIC DISCLOSURE**

April 12, 2010

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

Trustmark National Bank  
Charter Number: 10523

248 East Capitol Street  
Jackson, MS 39201-0000

Office of the Comptroller of the Currency

MIDSIZE BANK SUPERVISION  
One Financial Place, 440 South LaSalle Street, Suite 2700  
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**NOTE:** This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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## Overall CRA Rating

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

The following table indicates the performance level of **Trustmark National Bank** with respect to the Lending, Investment, and Service Tests:

Performance Levels	Trustmark National Bank Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding		X	X
High Satisfactory	X		
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

\* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.

The major factors that support this rating include:

- Trustmark National Bank's (TNB) community development lending performance is excellent. TNB originated a significant volume of community development loans. The bank's community development lending addressed identified community development needs and had a positive impact on the bank's CRA performance.
- The bank's lending activity is excellent.
- The bank's geographic distribution of home mortgage and small business loans is adequate.
- The bank's distribution of home mortgage loans by income level of the borrower is good.
- The bank's distribution of loans by size of business is good.
- TNB has an excellent record of lending inside its assessment areas by number and dollar amount of loans. Over 80 percent of all home mortgage loans and over 90 percent of all small business loans originated by the bank were originated within the bank's assessment areas.
- The bank's use of flexible and innovative loan products had a positive impact on the bank's performance under the lending test.
- The bank has an excellent level of qualified community development investments that are responsive to community needs.
- Service delivery systems are readily accessible to all portions of the AA, commensurate with the size and scope of operations of the bank. TNB provides a relatively high level of community development services that are responsive to a variety of community development needs.

## 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 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 applications, the amount of loan requested, and 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 multistate 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 multistate metropolitan area, the institution will receive a rating for the multistate 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

Trustmark National Bank (TNB) is an interstate financial institution headquartered in Jackson, Mississippi. TNB is wholly owned by Trustmark Corporation (TMC). TMC is a multi-bank holding company also headquartered in Jackson, Mississippi. As of December 31, 2009, TMC total assets were \$9.5 billion. Through its subsidiaries, TMC operates as a financial services organization providing banking and financial services throughout its markets. TMC also owns Somerville Bank and Trust, a small state chartered bank in Tennessee. In addition to its banking subsidiaries, TMC also owns all of the stock of F. S. Corporation and First Building Corporation, both inactive non-bank Mississippi corporations. TNB accounts for substantially all of the assets and revenues of the corporation.

TNB operates 153 branches in thirteen assessment areas in the states of Mississippi, Texas, Florida and Tennessee. After building a statewide presence in Mississippi, TNB expanded into Tennessee in 2001 and entered the Florida panhandle and Houston markets in 2003 and 2004, respectively. In August 2006, TMC finalized their purchase of Republic National Bank, a \$645 million financial institution headquartered in Houston, which added \$594 million to Trustmark's deposit base. Also, in August 2006 TNB received approval to open a branch in the Cayman Islands.

As of December 31, 2009, TNB's total assets were \$9.4 billion. Deposits totaled \$7 billion and net loans were \$6.3 billion. The loan portfolio was comprised of 1-4 family residential loans (26.96 percent), non-farm/non-residential real estate loans (21.56 percent), commercial and industrial loans (18.10 percent), construction and development loans (14.01 percent), and loans to individuals (10.93 percent). The bank's net Tier 1 Capital was \$836.3 million.

TNB offers a wide range of loan and deposit products to businesses and individuals. In addition to providing banking services, TNB also provides investment and insurance products and services to its customers through its wholly-owned subsidiaries, Trustmark Investment Advisors Inc., The Bottrell Insurance Agency Inc., Fisher-Brown Inc. and TRMK Risk Management, Inc. The activities of these subsidiaries have no CRA impact.

There are no legal, financial, or other factors impeding the ability of the bank to meet the financial service needs of its assessment areas.

TNB was last examined under the CRA as of July 11, 2006, at which time it was rated Satisfactory.



## Scope of the Evaluation

### Evaluation Period/Products Evaluated

This Performance Evaluation assesses the bank's performance under the Lending, Investment, and Service Tests. In evaluating the bank's lending performance, we reviewed their residential mortgage loans subject to filing under the Home Mortgage Disclosure Act (HMDA), small loans to businesses and farms, and community development (CD) loans. With the exception of CD loans, the evaluation period for the Lending Test is January 1, 2006 through December 31, 2009. For CD loans and the Investment and Service Tests, the evaluation period is July 12, 2006 through April 12, 2010. The Investment Test includes a review of investments, grants, and donations made in the bank's AAs that meet the definition of community development investments. The Service Test evaluation is based on branch distribution, hours of operation, branch openings and closings, alternative delivery systems, retail and commercial loan and deposit products and services and community development services provided in the bank's AAs.

Appendix D contains tables with data used to evaluate the bank's performance.

### Data Integrity

Prior to this CRA examination, we verified the accuracy of data available to the public in accordance with the HMDA and CRA regulation. This public data included home mortgage purchase, refinance, home improvement, and multifamily loans; and small loans to businesses and farms. We also verified the bank's reporting of community development loans, investments, and services. Based on the results of our review, we considered the lending data to be materially accurate.

### Selection of Areas for Full-Scope Review

In each state and multistate metropolitan area where the bank has an office, a sample of assessment areas (AAs) within that state/multistate metropolitan area was selected for full-scope reviews. Refer to the "Scope" section under each State and Multistate Metropolitan Area Rating section (as applicable) for details regarding how the areas were selected.

Analysis of lending inside/outside the bank's assessment areas under the Lending Test was done at the state level.

### Ratings

The bank's overall rating is a blend of the multistate metropolitan area rating(s) and state ratings. The state of Mississippi receives the greatest weight in our determination of the overall rating. This state accounts for 73 percent of the branch network, 82 percent of total deposits, and 84 percent of the CRA reportable loans during the evaluation period.

The multistate metropolitan area rating(s) and state ratings are based primarily on those areas that received full-scope reviews. Refer to the "Scope" section under each State and Multistate

Metropolitan Area Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

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

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

## Multistate Metropolitan Area Rating

### Memphis Multistate Metropolitan Area

**CRA rating for the Memphis Multistate Metropolitan Area<sup>1</sup>: Satisfactory**

**The lending test is rated: Low Satisfactory**

**The investment test is rated: Outstanding**

**The service test is rated: Needs to Improve**

The major factors that support this rating include:

- TNB originated a relatively high level of community development loans in the Memphis Multistate Metropolitan Area totaling \$3.4 million, which had a positive impact on the lending test rating.
- TNB's lending activity is adequate. The bank's market shares for home mortgage and small business loans are somewhat lower than the bank's deposit market share.
- TNB has an excellent record of lending inside its AA.
- TNB's borrower distribution of home mortgage loans is good.
- TNB's borrower distribution of small business loans is adequate.
- TNB's geographic distribution of home mortgage and small business loans is poor.
- TNB has an excellent level of qualifying investments, grants and donations.
- TNB's delivery systems are unreasonably inaccessible to portions of its AA, particularly low- and moderate-income geographies.

### Description of Institution's Operations in the Memphis Multistate Metropolitan Area

Trustmark National Bank operates 17 branches in the Memphis Multistate Metropolitan Area.

Based on FDIC Deposit Market Share data as of June 30, 2009, TNB has limited penetration in the Memphis market with 2.15 percent deposit market share. Altogether, 59 insured financial institutions operated in this AA in 2009. Two banks, First Tennessee (34 percent) and Regions Bank (16 percent) had deposit market share greater than 15 percent. These statistics portray a market with two dominant players and numerous smaller competitors for financial services.

TNB does not have a significant market share of home mortgage or small business lending in the Memphis Metropolitan Area. Home mortgage lending is dominated by several large banks. Small business lending is dominated by several large banks and credit card lenders. The top five lenders held over 63 percent of the market share of small business loans reported for 2009.

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

Refer to the market profile for the Memphis Multistate Metropolitan Area in Appendix C for detailed demographics and other performance context information for assessment areas that received full-scope reviews.

## **Scope of Evaluation in Memphis AA**

The Memphis Multistate MSA was the only assessment area in the state of Tennessee. A full-scope review was conducted on this AA. See Appendix A for more information on the Memphis AA.

The breakdown of loans in the Memphis AA is as follows:

Home Mortgage loans – 63 percent of total reported loans by number  
Small loans to businesses – 36 percent of total reported loans by number  
Small loans to farms – 1 percent of total reported loans by number

Therefore, more weight will be given to performance for home mortgage products in our evaluation. Further breaking down the mortgage loan products, the bank reported 51 percent home purchase loans, 7 percent home improvement loans, 42 percent home refinance loans, and less than 1 percent of multifamily loans in the Memphis AA. Home improvement and multifamily loans received very little weight in our evaluation.

There are numerous opportunities to make CD loans and investments and provide CD services in this AA. We identified several CDCs and other CD organizations that provide affordable housing, community services, or economic development activities that operate in the area. In conjunction with this examination, we performed one community contact with an affordable housing organization that operates in the AA. Based on our community contact and review of other demographic and economic information, affordable housing was identified as a need in this AA.

## **LENDING TEST**

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

The bank's performance under the lending test in Memphis AA is rated Low Satisfactory. Based on full-scope reviews, the bank's performance in the Memphis AA is adequate.

### **Lending Activity**

Refer to Tables 1 Lending Volume in the Memphis Multistate Metropolitan Area (Memphis AA) section of Appendix D for the facts and data used to evaluate the bank's lending activity.

TNB's lending activity in the Memphis AA is adequate. Home mortgage loans represented the majority of the bank's CRA lending activity at 63 percent of the CRA reportable loans by number and 67 percent by dollar. Home purchase loans represent 51 percent of mortgage loans while refinance and home improvement loans made up 42 percent and 7 percent, respectively. Based on FDIC Deposit Market Share data as of June 30, 2009, TNB held a 2.15 percent market share of the dollar amount of deposits; ranking 7<sup>th</sup> among 59 FDIC insured

financial institutions in the AA. During 2008, the bank achieved a 1.74 percent market share by dollar volume of home purchase loans, ranking 16<sup>th</sup> among 309 reporting lenders. By number of loans, the bank ranked 16<sup>th</sup> with a 1.85 percent market share. The bank achieved a 1.79 percent market share by dollar volume of home refinance loans, ranking 13<sup>th</sup> among 339 reporting lenders. By number of loans, the bank ranked 15<sup>th</sup> with a 1.81 percent market share. These market ranks/shares are considered adequate when compared to the deposit market rank/share due to the large volume of mortgage loans originated in the AA by large regional banks and mortgage companies, many of which do not take deposits in the AA thus distorting the comparison. The bank achieved a 1.14 percent market share by dollar volume of home improvement loans, ranking 19<sup>th</sup> among 113 reporting lenders. By number of loans, the bank ranked 11<sup>th</sup> with a 3.08 percent market share. These market ranks/shares are considered adequate when compared to the deposit market share. Small business loans represent 36 percent of the CRA reportable loans by number and 32 percent by dollar. TNB achieved a 3.54 percent market share by dollar volume of small loans to businesses, ranking 7<sup>th</sup> among 81 reporting lenders and exceeding the bank's deposit market share, which is considered excellent. By number of loans, however, the bank ranked 17<sup>th</sup> with a 1.25 percent market share. Market share of small business loans by dollar volume was given more weight than market share by number of loans due to the large volume of small credit card loans originated in the AA by large credit card lending institutions, many of which do not take deposits in the AA thus distorting the comparison. Seven of the top ten lenders by number of loans had average loan amounts of \$10 thousand or less. TNB originated a relatively high level of community development loans in the AA totaling \$3.4 million.

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

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

Refer to Tables 2, 3, 4, and 5 in the Memphis AA section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The distribution of home mortgage loans by income level of geography is poor.

In evaluating the geographic distribution of home loans in the Memphis AA, it is important to note the number of low- and moderate-income tracts and the population distribution in these tracts. The Memphis AA contains 42 low-income tracts, and 60 moderate-income tracts. There are 35,557 households (9 percent of total households) living in low-income tracts, and 95,822 households (24 percent of total households) living in moderate-income tracts. It is also important to note the number of households that live below the poverty level in these tracts. The low-income tracts contain 42 percent of households living below the poverty level. The moderate-income tracts contain 22 percent of households living below the poverty level. The significant level of households living below the poverty level makes lending for home mortgages difficult in the low- and moderate-income tracts.

In 2008, 48 businesses closed, laid people off, or relocated impacting 3,735 jobs. This number has grown even more throughout 2009. As of October 2009, another 56 businesses had layoffs or closed and 4,447 jobs were impacted. This is a total of 8,182 jobs lost in 2008-2009.

In addition, the unemployment rate rose from 6.2 percent to 10.3 percent from 2008 to year-end 2009 and the foreclosure rate in Shelby County as of July 2009 was 3.4 percent

### Home Purchase

The geographic distribution of home purchase loans is very poor in the Memphis AA. The percentage of home purchase loans in low-income geographies was significantly lower than the percent of owner-occupied housing units. The percentage of home purchase loans in moderate-income geographies was significantly lower than the percentage of owner-occupied housing units. The bank's market share in low-income tracts exceeded its overall market share for home purchase loans. The bank's market share in moderate-income tracts was somewhat lower than its overall market share for home purchase loans.

### Home Improvement

The geographic distribution of home improvement loans is poor in the Memphis AA. The percentage of home improvement loans in low-income geographies is significantly lower than the percentage of owner-occupied housing units. The percentage of home improvement loans in moderate-income geographies was significantly below the percentage of owner-occupied housing units. The bank's market share in low-income tracts is lower than its overall market share for home improvement loans. The bank's market share in moderate-income tracts exceeded its overall market share for home improvement loans.

### Home Refinancing

The geographic distribution of home refinance loans is poor in the Memphis AA. The percentage of home refinance loans in low-income geographies was significantly lower than the percentage of owner-occupied housing units. The percentage of home refinance loans in moderate-income geographies was lower than the percentage of owner-occupied housing units. The bank's market share in low-income tracts is near its overall market share for home refinance loans. The bank's market share in moderate-income tracts is near its overall market share for home refinance loans.

### Multifamily

TNB only originated four multifamily loans during the evaluation period which is not enough for meaningful analysis.

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

Refer to Table 6 in Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

TNB's geographic distribution of small loans to businesses is poor. The percentage of small loans to businesses in low-income tracts is lower than the percentage of businesses located in these tracts. The percentage of small loans to businesses in moderate-income tracts is lower than the percentage of businesses in these tracts. The bank's market share for low-income tracts is lower than its overall market share for small loans to businesses. The bank's market

share for moderate-income tracts is lower than its overall market share for small loans to businesses.

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

Refer to Table 7 in Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to farms.

TNB's geographic distribution of small loans to farms is very poor in the Memphis AA. Small loans to farms represents 1 percent of the reportable loans in the Memphis AA. The percentage of small loans to farms in low-income tracts is significantly lower than the percentage of farms located in these tracts. The percentage of small loans to farms in moderate-income tracts is significantly lower than the percentage of businesses in these tracts. The bank's market share for low-income tracts is significantly lower than its overall market share for small loans to farms. The bank's market share for moderate-income tracts is significantly lower than its overall market share for small loans to farms.

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

Data detailing TNB's lending activity over the evaluation period for home mortgage loans and small loans to businesses were reviewed to identify gaps in the geographic distribution of those loans. No unexplained conspicuous gaps were identified.

### ***Inside/Outside Ratio***

An inside/outside analysis is not meaningful for this multistate MSA.

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

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

Refer to Tables 8, 9 and 10 in the Memphis AA section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The distribution of home mortgage loans by income level of the borrower is good.

In evaluating the borrower distribution of home mortgage loans, we considered the number of households that live below the poverty level and the barriers that this may have on home ownership. The percentage of total households living below poverty level in the Memphis AA based on the 2000 census data is 14 percent. In addition to this, the AA has 22 percent of its population that are classified as low-income families. At these income levels, it would be difficult for these individuals to afford to buy a home. The Median sales price housing value for the City of Memphis based on the 2009 National Association of Realtors is approximately \$119,200. It would be difficult for persons living below the poverty level to afford a house in this price range.



Home Purchase

The borrower income distribution of home purchase loans is good for the Memphis AA. The percentage of home purchase loans to low-income borrowers is lower than the percentage of low-income families in the AA. The percentage of home purchase loans to moderate-income borrowers exceeds the percentage of moderate-income families in the AA. The bank's market share for low-income borrowers exceeds its overall market share for home purchase loans. The bank's market share for moderate-income borrowers exceeds its overall market share for home purchase loans.

Home Improvement

The borrower income distribution of home improvement loans is excellent for the Memphis AA. The percentage of home improvement loans to low-income borrowers exceeds the percentage of low-income families in the AA. The percentage of home improvement loans to moderate-income borrowers exceeds the percentage of moderate-income families in the AA. The bank's market share of home improvement loans for low-income borrowers exceeds the bank's overall market share for home improvement loans. The bank's market share of home improvement loans for moderate-income borrowers exceeds the bank's overall market share for home improvement loans.

Home Refinance

The borrower distribution of home refinance loans is adequate for home refinance loans in the Memphis AA. The percentage of home refinance loans to low-income borrowers is significantly lower than the percentage of low-income families in the AA. The percentage of home refinance loans to moderate-income borrowers is somewhat lower than the percentage of moderate-income families in the AA. The market share of home refinance loans to low-income borrowers is near the bank's overall market share for home refinance loans. The market share of home refinance loans to moderate-income borrowers was somewhat lower than the bank's overall market share for home refinance loans.

***Small Loans to Businesses***

Refer to Table 11 in Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

In evaluating the bank's performance, we considered the competitive market in which the bank operates regarding small business lending and the deteriorating economic conditions in 2008, which adversely affected both demand for credit and availability of credit on a national scale, especially for smaller businesses.

TNB's distribution of small loans to businesses with revenues of \$1 million or less is adequate given economic conditions and the competitive market in which the bank operates. The percentage of small loans to businesses is lower than the percentage of businesses with revenues of \$1 million or less. The bank's market share to businesses with revenues of \$1 million or less exceeds the bank's market share for small loans to businesses, regardless of revenue size indicating good market share performance.

Over 74 percent of the bank's small business loans were originated for under \$100 thousand. This performance is good considering that the need for smaller dollar business loans is met, in large part, by credit card lenders who often possess competitive advantages over other financial institutions in that segment of the market.

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

TNB penetration of small loans to farms with revenues of \$1 million or less is adequate. The percentage of small loans to farms is somewhat lower than the percentage of farms with revenues of \$1 million or less in the AA. The bank's market share to farms with revenues of \$1 million or less exceeds the bank's overall market share for small loans to farms, regardless of revenue size.

### **Community Development Lending**

Refer to Table 1 Lending Volume in the Memphis Multistate Metropolitan Area(s) section of Appendix D for the facts and data used to evaluate the bank's level of community development lending. This table includes all community development loans, including multifamily loans that also qualify as community development loans. In addition, Table 5 includes geographic lending data on all multifamily loans, including those that also qualify as community development loans. Table 5 does not separately list community development loans, however.

TNB originated a relatively high level of community development loans during the evaluation period totaling \$3.4 million. The bank's CD lending activity in the Memphis multistate AA had a positive impact on the lending test rating. These CD loans provided affordable housing, community services to low- or moderate-income individuals, stabilization/revitalization of low- or moderate-income areas or provided economic development through job creation.

Some specific examples of the CD loans originated during this evaluation period follows:

- A \$1.2 million construction loan, which promotes economic development by financing a small business, located in a moderate-income geography that will create 10-15 jobs.
- A \$731 thousand loan to acquire and rehabilitate a 40-unit affordable housing complex. The project included Low Income Housing Tax Credits and USDA participation.

### **Product Innovation and Flexibility**

No innovative or flexible programs are available in the Memphis Multistate Metropolitan Area.

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

TNB did not have any limited-scope review areas for the Memphis Multistate MSA during the evaluation period.

## **INVESTMENT TEST**

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

The bank's performance under the investment test in Memphis Multistate MSA is rated Outstanding. Based on a full-scope review, the bank's performance in the Memphis MSA is excellent.

Refer to Table 14 in the Memphis Multistate MSA section of Appendix D for the facts and data used to evaluate the bank's level of qualified investments.

The bank's dollar volume of qualifying investments, grants and donations demonstrates an excellent level of qualified investments. Qualified investments, grants and donations total \$10.4 million. This conclusion considers the numerous investment opportunities within the AA and the bank's capacity to address these needs. TNB made no complex and innovative investments.

During the evaluation period, TNB made nine investments in the Memphis MSA AA for a total of \$5.8 million. All nine of these investments funded home ownership and rental housing for low- and moderate-income households. These investments exhibit an excellent responsiveness to the credit and community development needs of the Memphis MSA AA.

In addition, the bank's dollar volume of qualified contributions reflects the bank's willingness to work with a variety of organizations in the AA to help meet various community development needs. During the evaluation period, the bank made 72 donations totaling over \$77 thousand to organizations providing community services to low- and moderate-income individuals. Community service programs range from education programs to health related services.

Three prior period investments totaling \$4.6 million remain outstanding. These prior period investments all were for affordable housing.

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

TNB did not have any limited-scope review areas for the Memphis Multistate MSA during the evaluation period.

## **SERVICE TEST**

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

The bank's performance under the service test in the Memphis MSA assessment area is rated Needs to Improve. Based on a full-scope review, the bank's performance in the Memphis MSA is poor.

## **Retail Banking Services**

Refer to Table 15 in the “Multistate Metropolitan Area(s)” section of Appendix D for the facts and data used to evaluate the distribution of the bank’s branch delivery system and branch openings and closings.

TNB’s delivery systems are unreasonably inaccessible to portions of its AA, particularly low- and moderate-income geographies, which are concentrated in the western portion of the AA. TNB has no banking offices in low-income census tracts, which contain 9.3 percent of the population. In moderate-income geographies, TNB’s percentage of branches is significantly lower than the 24.81 percent of the population residing in these areas.

During this evaluation period, TNB closed three branches in the Memphis MSA AA with two of these located in upper-income census tracts and one in a middle-income tract. The bank also opened three branches; all located in upper-income census tracts. TNB’s record of opening and closing branches did not have an adverse impact on the accessibility of delivery systems, particularly in low- or moderate-income geographies or on low- or moderate-income families in the AA.

TNB offers a full-range of deposit services and loan products, which do not vary in a way that inconveniences the assessment area, particularly low- and moderate-income geographies and low- and moderate-income individuals. Office hours and services in the full-scope AA are comparable among locations regardless of the income level of the geography. There are no significant differences in banking hours provided by the branches in the different geographies.

## **Community Development Services**

Based on the CD opportunities in the AA and the number of services provided during this evaluation period, TNB’s level of CD services is adequate. TNB provided qualified CD services to eight organizations that provide affordable housing, community services to low- or moderate-income individuals, or that provide economic development. Also, TNB provided homebuyer education classes and seminars geared toward small businesses on the various governmental programs that are available. The types of services provided include serving on the board, executive committee, or fundraising committee for these qualified CD organizations.

In addition to providing community development services to area organizations, TNB participates with the Federal Home Loan Bank of Dallas through a grant sponsorship program designed to assist qualified homebuyers with down payment and closing costs and to provide assistance with housing rehabilitation and construction. TNB assisted in obtaining a grant through the FHLB for Shelby Housing in the amount of \$80,000, which will be used for housing rehabilitation.

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

TNB did not have any limited-scope review areas for the Memphis Multistate MSA during the evaluation period.

## State Rating

### State of Mississippi

<b>CRA Rating for Mississippi:</b>	<b>Outstanding</b>
<b>The lending test is rated:</b>	<b>High Satisfactory</b>
<b>The investment test is rated:</b>	<b>Outstanding</b>
<b>The service test is rated:</b>	<b>Outstanding</b>

The major factors that support this rating include:

- TNB originated over \$97 million of community development loans in the state of Mississippi, which had a significantly positive impact on the bank's Lending Test rating. TNB was a leader in making CD loans in the Jackson AA with \$69 million. TNB originated an adequate amount of community development loans in the Hattiesburg AA totaling \$256 thousand and the Southwest MS AA totaling \$1.4 million.
- TNB's lending activity in the Jackson and Southwest MS AAs is excellent. Lending activity in the Hattiesburg AA is good.
- TNB's borrower distribution of home mortgage loans is adequate in the Jackson AA. Borrower distribution of home purchase loans is adequate in the Hattiesburg AA and poor in the Southwest MS AA.
- TNB's borrower distribution of small business loans is adequate.
- TNB's geographic distribution of home mortgage loans is adequate in the Jackson and Southwest MS AAs. Geographic distribution of home mortgage loans is poor in the Hattiesburg AA.
- TNB's geographic distribution of small business loans is good in the Jackson and Southwest MS AAs. Geographic distribution of small business loans is good in the Hattiesburg AA.
- TNB has an excellent level of qualifying investments, grants and donations.
- TNB's delivery systems are readily accessible to geographies and individuals of different income levels.

### Description of Institution's Operations in Mississippi

Trustmark National Bank operates 112 branches in eight assessment areas in the state of Mississippi including three MSA areas and five non-MSA areas.

Of the bank's four rating areas, Mississippi is most significant, with 82 percent of its deposits, 73 percent of its branches and 84 percent of its CRA reportable loans by number concentrated in this rating area.

Based on FDIC Deposit Market Share data as of June 30, 2009, TNB is the second largest banking institution in the state of Mississippi by deposits with 13.38 percent of the market share representing \$5.9 billion in deposits. Regions Bank and Bancorp South are the other dominant banking companies in Mississippi with deposit market shares of 16.32 percent and 10.51 percent, respectively. Hancock Bank, Renasant Bank and BankPlus hold deposit market shares in excess of 3 percent. Eleven other financial institutions have deposit market shares between 1 percent and 3 percent. Altogether, 106 insured financial institutions operated in the state in 2009. These statistics portray a competitive market for financial services in the state.

The Jackson MSA AA is the bank's most significant assessment area in the state. The majority of the bank's branches, loans, and deposits in Mississippi are located in this AA. The Southwest MS is the next most significant AA followed by the Hattiesburg MSA AA.

TNB has the largest market share of home mortgage lenders in the Jackson AA. Reporting lenders included several large banks and mortgage companies. TNB is the second largest small business lender in the Jackson MSA. Small business lending is dominated by several large banks and credit card lenders. In the Jackson MSA AA, the top five lenders held over 77 percent of the market share of small business loans reported for 2007 and only ten banks had market shares greater than 1 percent.

TNB is the second largest home mortgage lender in the Southwest MS AA by market share. Reporting lenders included several large banks and mortgage companies. TNB is the third largest small business lender in the Southwest MS AA. Small business lending is dominated by five banks, including two credit card lenders. The top five lenders held 68 percent of the market share of small business loans reported for 2009 and fourteen banks had market shares greater than 1 percent.

TNB is the fifth largest home mortgage lender in the Hattiesburg MSA AA. Reporting lenders included several large banks and mortgage companies. TNB is the fourth largest small business lender in the Hattiesburg MSA AA. Several credit card lenders have significant market shares. Nine banks had market shares greater than 5 percent.

Refer to the market profiles for the state of Mississippi in Appendix C for detailed demographics and other performance context information for assessment areas that received full-scope reviews.

## **Scope of Evaluation in Mississippi**

A full-scope review was conducted on the Jackson MSA AA, Hattiesburg MSA AA, and Southwest MS AA. The Jackson AA received the most weight on final ratings since 56 percent of CRA reportable loans and 62 percent of the bank's deposits in Mississippi were in the Jackson AA. See Appendix A for more information on the Mississippi assessment areas.

**Jackson AA**

The Jackson AA has 56 percent of rated area originated loans for the state of Mississippi. The most weight for the state of Mississippi will be placed on performance in the Jackson AA. The breakdown of loans by number in the Jackson AA is as follows:

Home Mortgage loans – 64 percent of total reported loans by number  
 Small loans to businesses – 33 percent of total reported loans by number  
 Small loans to farms – 3 percent of total reported loans by number

Home Mortgage loans in Jackson AA were comprised of 56 percent home purchase loans, 8 percent home improvement loans, and 36 percent of home refinancing loans. Therefore, more weight on the Jackson AA performance will be placed on performance for home mortgage loans, with an emphasis on home purchase loans. Small farm lending will receive limited weight.

The opportunity to make CD loans, investments, and services in the Jackson MSA is good. We identified at least 20 CD organizations that operate in the area. The vast majority of these organizations provide affordable housing or economic development for the area. Also, seven of the organizations are CDCs and two qualified CD credit unions that operate in the area. There is only one Community Housing Development Organization (CHDO) in Jackson and three Community Development Finance Institutions (CDFIs). Based on our community contacts and review of other demographic and economic information, small business lending and affordable housing were identified as primary needs in this AA.

**Hattiesburg AA**

Hattiesburg AA has 7 percent of rated area originated loans for the state of Mississippi. The least weight of the full-scope areas for the state of Mississippi will be placed on performance in the Hattiesburg AA. The breakdown of loans in the Hattiesburg AA is as follows:

Home Mortgage loans – 65 percent of total reported loans by number  
 Small loans to businesses – 33 percent of total reported loans by number  
 Small loans to farms – 2 percent of total reported loans by number

Home Mortgage loans in Hattiesburg AA were comprised of 55 percent home purchase loans, 8 percent home improvement loans, and 37 percent of home refinancing loans. Therefore, more weight on the Hattiesburg AA performance will be placed on performance for home mortgage loans, with an emphasis on home purchase loans. Small farm lending will receive limited weight.

In the Hattiesburg MSA, the opportunity to make CD loans and investments or provide CD services is somewhat limited. We made two community contacts in conjunction with this examination; one of which was to the City's Federal and State Programs Department and one to an economic development organization. We identified nine CD organizations that meet the economic development, community service and affordable housing needs of the area, of which there are four Community Housing Development Organizations (CHDOs). Also, there is a qualified CD credit union that operates in the area. There are no CDFIs that operate in the MSA. Based on our community contacts and review of other demographic and economic

information, small business lending and affordable housing were identified as primary needs in this AA.

### **Southwest MS AA**

Southwest MS AA has 10 percent of rated area originated loans for the state of Mississippi. Some weight for the state of Mississippi will be placed on performance in the Southwest MS AA. The breakdown of loans in the Southwest MS AA is as follows:

Home Mortgage loans – 43 percent of total reported loans by number  
Small loans to businesses – 48 percent of total reported loans by number  
Small loans to farms – 9 percent of total reported loans by number

Home Mortgage loans in Southwest MS AA were comprised of 38 percent home purchase loans, 24 percent home improvement loans, and 38 percent of home refinancing loans.

Therefore, more weight on the Southwest MS AA performance will be placed on performance for small business loans. Small farm lending will receive limited weight.

In the Southwest MS AA, the opportunity to make CD loans and investments and provide CD services is very limited. We identified a small number of agencies that operate in the area. The vast majority of these organizations provide affordable housing or economic development for the area. Based on our community contacts and review of other demographic and economic information, small farm lending and affordable housing were identified as primary needs in this AA.

## **LENDING TEST**

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

The bank's performance under the lending test in the state of Mississippi is rated High Satisfactory. Based on full-scope reviews, the bank's performance in the Jackson AA is good. The bank's CD lending performance had a significantly positive impact on the conclusions. The Jackson AA performance carries more weight in the final rating. The bank's performance in the Hattiesburg and Southwest AAs are adequate.

### **Lending Activity**

Refer to Table 1 Lending Volume in the state of Mississippi section of Appendix D for the facts and data used to evaluate the bank's lending activity.

### **Jackson AA**

TNB's lending activity in the Jackson AA is excellent. TNB is the dominant financial institution in the Jackson MSA. Home mortgage loans represented the majority of the bank's CRA lending activity at 64 percent of the CRA reportable loans by number and 68 percent by dollar. Home purchase loans represent 56 percent of mortgage loans by number while refinance



loans made up 36 percent and home improvement loans 8 percent. Based on FDIC Deposit Market Share data as of June 30, 2009, TNB held a 35.75 percent market share of the dollar amount of deposits; ranking 1<sup>st</sup> among 24 FDIC insured financial institutions in the AA. During 2008, the bank achieved a 21.34 percent market share by dollar volume of home purchase loans, ranking 1<sup>st</sup> among 201 reporting lenders. By number of loans, the bank also ranked 1<sup>st</sup> with a 21.95 percent market share. The bank achieved a 12.54 percent market share by dollar volume of home refinance loans, ranking 1<sup>st</sup> among 204 reporting lenders. By number of loans, the bank also ranked 1<sup>st</sup> with a 12.29 percent market share. These market ranks/shares are considered excellent when compared to the deposit market rank/share considering the large volume of mortgage loans originated in the AA by large regional banks and mortgage companies, many of which do not take deposits in the AA thus distorting the comparison. The bank achieved a 16.95 percent market share by dollar volume of home improvement loans, ranking 1<sup>st</sup> among 59 reporting lenders. By number of loans, the bank also ranked 1<sup>st</sup> with a 23.49 percent market share. These market ranks/shares are considered good when compared to the deposit market share. Small business loans represent 33 percent of the CRA reportable loans by number and 29 percent by dollar. TNB achieved a 30.98 percent market share by dollar volume of small loans to businesses, ranking 1<sup>st</sup> among 55 reporting lenders indicating dominant performance. By number of loans the bank ranked 2<sup>nd</sup> with a 11.33 percent market share. Market share of small business loans by dollar volume was given more weight than market share by number of loans due to the large volume of small credit card loans originated in the AA by large credit card lending institutions, many of which do not take deposits in the AA thus distorting the comparison. Six of the top ten lenders by number of loans had average loan amounts of \$10 thousand or less. Small loans to farms and multifamily loans did not represent a significant portion of the bank's lending activity. TNB originated an excellent volume of community development loans in the AA totaling \$64 million.

### **Hattiesburg AA**

TNB's lending activity in the Hattiesburg AA is good. Home mortgage loans represented the majority of the bank's CRA lending activity at 54 percent of the CRA reportable loans by number and 58 percent by dollar. Home purchase loans represent 55 percent of mortgage loans by number while refinance loans made up 37 percent and home improvement loans 8 percent. Based on FDIC Deposit Market Share data as of June 30, 2009, TNB held a 14.26 percent market share of the dollar amount of deposits; ranking 3<sup>rd</sup> among 17 FDIC insured financial institutions in the AA. During 2008, the bank achieved a 6.42 percent market share by dollar volume of home purchase loans, ranking 6<sup>th</sup> among 134 reporting lenders. By number of loans, the bank ranked 7<sup>th</sup> with a 5.7 percent market share. The bank achieved a 4.68 percent market share by dollar volume of home refinance loans, ranking 6<sup>th</sup> among 120 reporting lenders. By number of loans, the bank ranked 5<sup>th</sup> with a 4.84 percent market share. These market ranks/shares are considered good when compared to the deposit market rank/share considering the large volume of mortgage loans originated in the AA by large regional banks and mortgage companies, many of which do not take deposits in the AA thus distorting the comparison. The bank achieved a 4.42 percent market share by dollar volume of home improvement loans, ranking 8<sup>th</sup> among 41 reporting lenders. By number of loans, the bank also ranked 6<sup>th</sup> with a 5.54 percent market share. These market ranks/shares are considered adequate when compared to the deposit market share. Small business loans represent 33 percent of the CRA reportable loans by number and 29 percent by dollar. TNB achieved a 20.38 percent market share by dollar volume of small loans to businesses, ranking

1<sup>st</sup> among 44 reporting lenders indicating dominant performance. By number of loans the bank ranked 4<sup>th</sup> with an 8.25 percent market share. Market share of small business loans by dollar volume was given more weight than market share by number of loans due to the large volume of small credit card loans originated in the AA by large credit card lending institutions, many of which do not take deposits in the AA thus distorting the comparison. Five of the top ten lenders by number of loans had average loan amounts of \$10 thousand or less. Small loans to farms and multifamily loans did not represent a significant portion of the bank's lending activity. TNB originated an adequate volume of community development loans in the AA totaling \$256 thousand.

### **Southwest MS AA**

TNB's lending activity in the Southwest MS AA is excellent. Small business loans represent a significant portion of the bank's CRA lending activity with 48 percent of the CRA reportable loans by number and 46 percent by dollar. Based on FDIC Deposit Market Share data as of June 30, 2009, TNB held a 28.23 percent market share of the dollar amount of deposits; ranking 1<sup>st</sup> among 11 FDIC insured financial institutions in the AA. During 2008, TNB achieved a 26.80 percent market share by dollar volume of small loans to businesses, ranking 2<sup>nd</sup> among 35 reporting lenders indicating excellent performance. By number of loans the bank ranked 3<sup>rd</sup> with a 13.71 percent market share. Market share of small business loans by dollar volume was given more weight than market share by number of loans due to the large volume of small credit card loans originated in the AA by large credit card lending institutions, many of which do not take deposits in the AA thus distorting the comparison. Five of the top ten lenders by number of loans had average loan amounts of \$10 thousand or less. Home mortgage loans represent 43 percent of the CRA reportable loans by number and 47 percent by dollar. Home purchase loans represent 38 percent of mortgage loans by number while refinance loans made up 38 percent and home improvement loans 24 percent. During 2008, the bank achieved a 17.33 percent market share by dollar volume of home purchase loans, ranking 1<sup>st</sup> among 115 reporting lenders. By number of loans, the bank also ranked 1<sup>st</sup> with a 15.92 percent market share. The bank achieved an 11.58 percent market share by dollar volume of home refinance loans, ranking 2<sup>nd</sup> among 99 reporting lenders. By number of loans, the bank also ranked 2<sup>nd</sup> with an 11.40 percent market share. These market ranks/shares are considered excellent when compared to the deposit market rank/share considering the large volume of mortgage loans originated in the AA by large regional banks and mortgage companies, many of which do not take deposits in the AA thus distorting the comparison. The bank achieved a 28.09 percent market share by dollar volume of home improvement loans, ranking 1<sup>st</sup> among 34 reporting lenders. By number of loans, the bank also ranked 1<sup>st</sup> with a 30.35 percent market share. These market ranks/shares indicate dominant performance in home improvement lending activity. Small loans to farms represent 9 percent of CRA reportable loans by number and 6 percent by dollar. The bank achieved an 18.69 percent market share by dollar volume of small farm loans, ranking 3<sup>rd</sup> among 11 reporting lenders. By number of loans, the bank ranked 2<sup>nd</sup> with an 18.80 percent market share. The small farm lending market is dominated by a single lender holding a 55.60 percent market share by number of loans. These market ranks/shares indicate good performance in small farm lending activity. TNB originated an adequate volume of community development loans in the AA totaling \$1.4 million.

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

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

Refer to Tables 2, 3, 4, and 5 in the state of Mississippi section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The bank's geographic distribution of home mortgage loans is adequate.

### **Jackson AA**

The bank's geographic distribution of home mortgage loans is adequate in the Jackson AA.

In evaluating the geographic distribution of home loans in the Jackson AA, it is important to note the number of low- and moderate-income tracts and the population distribution in these tracts. The Jackson AA contains 14 low-income tracts, and 33 moderate-income tracts. There are 11,830 households (7 percent of total households) living in low-income tracts, and 48,544 households (27 percent of total households) living in moderate-income tracts. It is also important to note the number of households that live below the poverty level in these tracts. The low-income tracts contain 16 percent of households living below the poverty level. The moderate-income tracts contain 43 percent of households living below the poverty level. The significant level of households living below the poverty level makes lending for home mortgages difficult in the low- and moderate-income tracts.

From 2008 to December 2009, unemployment rates rose from 5.6 percent to 9 percent in Hinds County, from 4.8 percent to 7.6 percent in Madison County, from 4.1 percent to 6.8 percent in Rankin County, from 5.2 percent to 9.7 percent in Simpson County and from 7.6 percent to 10.7 percent in Copiah County. In addition, poverty rates increased for most counties in the Jackson MSA.

During the course of the examination, we made a community contact with a city government agency. It was reported low- and moderate-income borrowers could purchase affordable housing with down payment assistance through city of Jackson housing programs. First time home buyers are able to purchase affordable housing in non low- and moderate-income areas with assistance.

A second contact was made with the city of Jackson's only community housing development organization, which receives an annual allocation of HOME funds. This agency stated it is not always feasible to purchase existing housing in low- and moderate-geographies, because of building code restrictions and it is cost prohibitive to address these restrictions. There is a movement with this organization to construct new affordable single family homes. The contact also stated that many of their clients had banking relationships primarily with credit unions.

Low income tracts contain less than 4 percent of the owner-occupied housing units in the Jackson AA so more weight is given to the bank's performance in moderate-income tracts, which contain almost 23 percent of the owner occupied housing units.

### Home Purchase

The geographic distribution of home purchase loans is adequate in the Jackson AA. The percentage of home purchase loans in low-income geographies was lower than the percentage of owner-occupied housing units. The percentage of home purchase loans in moderate-income geographies was lower than the percentage of owner-occupied housing units. The bank's market share in low-income tracts exceeds its overall market share for home purchase loans. The bank's market share in moderate-income tracts was near its overall market share for home purchase loans.

### Home Improvement

The geographic distribution of home improvement loans is excellent in the Jackson AA. The percentage of home improvement loans in low-income geographies exceeds the percentage of owner-occupied housing units. The percentage of home improvement loans in moderate-income geographies exceeds the percentage of owner-occupied housing units. The bank's market share in low-income tracts significantly exceeds its overall market share for home improvement loans. The bank's market share in moderate-income tracts exceeds its overall market share for home improvement loans.

### Home Refinancing

The geographic distribution of home refinance loans is poor in the Jackson AA. The percentage of home refinance loans in low-income geographies was significantly lower than the percentage of owner-occupied housing units. The percentage of home refinance loans in moderate-income geographies was also significantly lower than the percentage of owner-occupied housing units. The bank's market share in low-income tracts exceeds its overall market share for home refinance loans. The bank's market share in moderate-income tracts is lower than its overall market share for home refinance loans.

### Multifamily

The geographic distribution of multifamily loans is excellent in the Jackson AA. Multifamily loans represent less than 1 percent of HMDA reportable loans therefore very little weight was given to this product. TNB originated 12 multifamily loans during the evaluation period. One of these units was located in a low-income geography and eight were located in moderate-income geographies. The bank's percentage of multifamily loans was near the number of multifamily units in low-income tracts. The bank's percentage of multifamily loans exceeds the number of multifamily units in moderate-income tracts. The bank's market share significantly exceeds its overall market share in low-income geographies. The bank's market share exceeds its overall market share in moderate-income geographies.

### Hattiesburg AA

The bank's geographic distribution of home mortgage loans is poor in the Hattiesburg AA.

In evaluating the geographic distribution of home loans in the Hattiesburg AA, it is important to note the number of low- and moderate-income tracts and the population distribution in these

tracts. The Hattiesburg AA contains 2 low-income tracts, and 7 moderate-income tracts. There are 2,381 households (5 percent of total households) living in low-income tracts, and 8,083 households (18 percent of total households) living in moderate-income tracts. It is also important to note the number of households that live below the poverty level in these tracts. The low-income tracts contain 12 percent of households living below the poverty level. The moderate-income tracts contain 29 percent of households living below the poverty level. The significant level of households living below the poverty level makes lending for home mortgages difficult in the low- and moderate-income tracts.

Low-income tracts contain less than four percent of the owner occupied housing units in the Hattiesburg AA so more weight is given to the bank's performance in moderate-income tracts, which contain over 13 percent of the owner-occupied housing units.

### Home Purchase

The geographic distribution of home purchase loans is poor in the Hattiesburg AA. The percentage of home purchase loans in low-income geographies was lower than the percentage of owner-occupied housing units. The percentage of home purchase loans in moderate-income geographies was lower than the percentage of owner-occupied housing units. The bank's market share in low-income tracts exceeds its overall market share for home purchase loans. The bank's market share in moderate-income tracts was near its overall market share for home purchase loans.

### Home Improvement

The geographic distribution of home improvement loans is good in the Hattiesburg AA. The percentage of home improvement loans in low-income geographies is near the percentage of owner-occupied housing units. The percentage of home improvement loans in moderate-income geographies is somewhat lower than the percentage of owner-occupied housing units. The bank's market share in low-income tracts is significantly lower than its overall market share for home improvement loans. The bank's market share in moderate-income tracts exceeds its overall market share for home improvement loans.

### Home Refinancing

The geographic distribution of home refinance loans is adequate in the Hattiesburg AA. The percentage of home refinance loans in low-income geographies was significantly lower than the percentage of owner-occupied housing units. The percentage of home refinance loans in moderate-income geographies was near the percentage of owner-occupied housing units. The bank's market share in low-income tracts is somewhat lower than its overall market share for home refinance loans. The bank's market share in moderate-income tracts exceeds its overall market share for home refinance loans.

### Multifamily

TNB only originated six multifamily loans during the evaluation period which is not enough for meaningful analysis.

## Southwest MS AA

The bank's geographic distribution of home mortgage loans is adequate in the Southwest MS AA.

In evaluating the geographic distribution of home loans in the Southwest MS AA, it is important to note the number of low- and moderate-income tracts and the population distribution in these tracts. The Southwest MS AA contains no low-income tracts, and 20 moderate-income tracts. There are 8,127 households (17 percent of total households) living in the moderate-income tracts. It is also important to note the number of households that live below the poverty level in these tracts. The moderate-income tracts contain 22 percent of households living below the poverty level. The significant level of households living below the poverty level makes lending for home mortgages difficult in the low- and moderate-income tracts.

There were numerous business closures and employee layoffs throughout the Southwest MS MSA. These included Georgia Pacific (350 jobs), Mabry Lumber (80 jobs), Air Cruisers (50 jobs), Orleans Furniture (75 jobs), and Wellstone Apparel (120 jobs). Unemployment rates have risen to 10-11 percent in this assessment area.

### Home Purchase

The geographic distribution of home purchase loans is good in the Southwest MS AA. There are no low-income tracts in the Southwest MS AA. The percentage of home purchase loans in moderate-income geographies was somewhat lower than the percentage of owner-occupied housing units. The bank's market share in moderate-income tracts exceeds its overall market share for home purchase loans.

### Home Improvement

The geographic distribution of home improvement loans is adequate in the Southwest MS AA. There are no low-income tracts in the Southwest MS AA. The percentage of home improvement loans in moderate-income geographies is lower than the percentage of owner-occupied housing units. The bank's market share in moderate-income tracts exceeds its overall market share for home improvement loans.

### Home Refinancing

The geographic distribution of home refinance loans is adequate in the Southwest MS AA. There are no low-income tracts in the Southwest MS AA. The percentage of home refinance loans in moderate-income geographies was lower than the percentage of owner-occupied housing units. The bank's market share in moderate-income tracts is near its overall market share for home refinance loans.

### Multifamily

TNB only originated five multifamily loans during the evaluation period which is not enough for meaningful analysis.

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

Refer to Table 6 in Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The bank's geographic distribution of small loans to businesses is good.

#### **Jackson AA**

TNB's geographic distribution of small loans to businesses is good in the Jackson AA. The percentage of small loans to businesses in low-income tracts is near the percentage of businesses located in these tracts. The percentage of small loans to businesses in moderate-income tracts is somewhat lower than the percentage of businesses in these tracts. The bank's market share for low-income tracts exceeds its overall market share for small loans to businesses. The bank's market share for moderate-income tracts exceeds its overall market share for small loans to businesses.

#### **Hattiesburg AA**

TNB's geographic distribution of small loans to businesses is good in the Hattiesburg AA. The percentage of small loans to businesses in low-income tracts exceeds the percentage of businesses located in these tracts. The percentage of small loans to businesses in moderate-income tracts is somewhat lower than the percentage of businesses in these tracts. The bank's market share for low-income tracts exceeds its overall market share for small loans to businesses. The bank's market share for moderate-income tracts exceeds its overall market share for small loans to businesses.

#### **Southwest MS AA**

TNB's geographic distribution of small loans to businesses is adequate in the Southwest MS AA. The Southwest MS AA does not contain any low-income geographies. The percentage of small loans to businesses in moderate-income tracts is somewhat lower than the percentage of businesses in these tracts. The bank's market share for moderate-income tracts is near to its overall market share for small loans to businesses.

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

Refer to Table 7 in Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to farms.

The bank's geographic distribution of small loans to farms is good.

#### **Jackson AA**

TNB's geographic distribution of small loans to farms is good in the Jackson AA. The percentage of small loans to farms in low-income tracts is significantly lower than the percentage of farms located in these tracts. The percentage of small loans to farms in moderate-income tracts significantly exceeds the percentage of farms in these tracts. The bank's market share for low-income tracts is significantly lower than its overall market share for

small loans to farms. The bank's market share for moderate-income tracts exceeds its overall market share for small loans to farms. Because there are relatively few farms in the low-income tracts, slightly greater emphasis was placed on performance in the moderate-income geographies in reaching our conclusion.

**Hattiesburg AA**

TNB's geographic distribution of small loans to farms is excellent in the Hattiesburg AA. The percentage of small loans to farms in low-income tracts exceeds the percentage of farms located in these tracts. The percentage of small loans to farms in moderate-income tracts exceeds the percentage of farms in these tracts. The bank's market share for low-income tracts is significantly lower than its overall market share for small loans to farms. The bank's market share for moderate-income tracts exceeds its overall market share for small loans to farms.

**Southwest MS AA**

TNB's geographic distribution of small loans to farms is poor in the Southwest MS AA. Southwest MS AA does not have any low-income geographies. The percentage of small loans to farms in moderate-income tracts is lower than the percentage of farms in these tracts. The bank's market share for moderate-income tracts exceeds its overall market share for small loans to farms.

***Lending Gap Analysis***

Data detailing TNB's lending activity over the evaluation period for home mortgage loans and small loans to businesses were reviewed to identify gaps in the geographic distribution of those loans. No unexplained conspicuous gaps were identified.

***Inside/Outside Ratio***

TNB has an excellent record of lending inside its AAs by number of loans and dollar amount of loans for the state of Mississippi. A substantial majority of TNB's home mortgage loans originated in the combined AAs for the state of Mississippi. The bank originated approximately 82 percent of the number and 83 percent of the dollar amount originated in the bank's combined AAs. A substantial majority of small loans to businesses (approximately 92 percent of the number and 93 percent of the dollar amount) also originated in TNB's combined AAs.

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

***Home Mortgage Loans***

Refer to Tables 8, 9, and 10 in the Jackson AA section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The distribution of home mortgage loans by income level of the borrower is adequate.



## **Jackson AA**

The distribution of home mortgage loans by income level of the borrower is adequate for the Jackson AA.

In evaluating the borrower distribution of home mortgage loans, we considered the number of households that live below the poverty level and the barriers that this may have on home ownership. The percentage of total households living below poverty level in the Jackson AA based on the 2000 census data is 16 percent. In addition to this, the AA has 23 percent of its population that are classified as low-income families. The median sales price housing value for the city of Jackson based on the 2009 National Association of Realtors is approximately \$145,900. It would be difficult for persons living below the poverty level to afford a house in this price range.

### **Home Purchase**

The borrower income distribution of home purchase loans is good for the Jackson AA. TNB is the number one home purchase lender in the Jackson AA. Per 2008 peer mortgage data, TNB had 22 percent of the market share for home purchase loans in the Jackson AA. The percentage of home purchase loans to low-income borrowers is significantly lower than the percentage of low-income families in the AA. The percentage of home purchase loans to moderate-income borrowers exceeds the percentage of moderate-income families in the AA. More weight was given to the bank's performance to moderate-income borrowers due to the difficulties low-income borrowers have in qualifying for mortgage loans. This is especially true with the tightening of credit standards with the economic downturn. The bank's market share for low-income borrowers exceeds its overall market share for home purchase loans. The bank's market share for moderate-income borrowers exceeds its overall market share for home purchase loans.

### **Home Improvement**

The borrower income distribution of home improvement loans is excellent for the Jackson AA. TNB is the number one home improvement lender in the Jackson AA. Per 2008 peer mortgage data, TNB had 23 percent of the market share for home improvement loans in the Jackson AA. The percentage of home improvement loans to low-income borrowers is somewhat lower than the percentage of low-income families in the AA. The percentage of home improvement loans to moderate-income borrowers exceeds the percentage of moderate-income families in the AA. The bank's market share of home improvement loans for low-income borrowers exceeds the bank's overall market share for home improvement loans. The bank's market share of home improvement loans for moderate-income borrowers exceeds the bank's overall market share for home improvement loans.

### **Home Refinance**

The borrower income distribution of home refinance loans is poor for the Jackson AA. TNB is the number one home refinance lender in the Jackson AA. Per 2008 peer mortgage data, TNB had 12 percent of the market share for home refinance loans in the Jackson AA. The percentage of home refinance loans to low-income borrowers is significantly lower than the

percentage of low-income families in the AA. The percentage of home refinance loans to moderate-income borrowers is lower than the percentage of moderate-income families in the AA. The market share of home refinance loans to low-income borrowers is near the bank's overall market share for home refinance loans. The market share of home refinance loans to moderate-income borrowers exceeds the bank's overall market share for home refinance loans.

### **Hattiesburg AA**

The distribution of home mortgage loans by income level of the borrower is adequate for the Hattiesburg AA.

In evaluating the borrower distribution of home mortgage loans, we considered the number of households that live below the poverty level and the barriers that this may have on home-ownership. The percentage of total households living below poverty level in the Hattiesburg AA based on the 2000 census data is 19 percent. In addition to this, the AA has 23 percent of its population that are classified as low-income families. The estimated median house price for the city of Hattiesburg based on the 2008 Federal Housing Finance Agency is approximately \$156,049. It would be difficult for persons living below the poverty level to afford a house in this price range.

### **Home Purchase**

The borrower income distribution of home purchase loans is adequate for the Hattiesburg AA. The percentage of home purchase loans to low-income borrowers is significantly lower than the percentage of low-income families in the AA. The percentage of home purchase loans to moderate-income borrowers is near the percentage of moderate-income families in the AA. The bank's market share for low-income borrowers is somewhat lower than its overall market share for home purchase loans. The bank's market share for moderate-income borrowers is near its overall market share for home purchase loans.

### **Home Improvement**

The borrower income distribution of home improvement loans is adequate for the Hattiesburg AA. The percentage of home improvement loans to low-income borrowers is somewhat lower than the percentage of low-income families in the AA. The percentage of home improvement loans to moderate-income borrowers is lower than the percentage of moderate-income families in the AA. The bank's market share of home improvement loans for low-income borrowers exceeds the bank's overall market share for home improvement loans. The bank's market share of home improvement loans for moderate-income borrowers is significantly lower than the bank's overall market share for home improvement loans.

### **Home Refinance**

The borrower income distribution of home refinance loans is poor for the Hattiesburg AA. The percentage of home refinance loans to low-income borrowers is significantly lower than the percentage of low-income families in the AA. The percentage of home refinance loans to moderate-income borrowers is also significantly lower than the percentage of moderate-income families in the AA. The market share of home refinance loans to low-income

borrowers is lower than the bank's overall market share for home refinance loans. The market share of home refinance loans to moderate-income borrowers is somewhat lower than the bank's overall market share for home refinance loans.

### **Southwest MS AA**

The distribution of home mortgage loans by income level of the borrower is poor for the Southwest MS AA.

In evaluating the borrower distribution of home mortgage loans, we considered the number of households that live below the poverty level and the barriers that this may have on home-ownership. The percentage of total households living below poverty level in the Southwest MS AA based on the 2000 census data is 23 percent. In addition to this, the AA has 26 percent of its population that are classified as low-income families. The median family income in this AA is 33,550 making it difficult for low-income families to afford homes and qualify for mortgage loans. As a result, the bank's distribution of loans to moderate-income borrowers was given more weight in our assessment of home purchase and refinance lending.

#### **Home Purchase**

The borrower income distribution of home purchase loans is poor for the Southwest MS AA. The percentage of home purchase loans to low-income borrowers is significantly lower than the percentage of low-income families in the AA. The percentage of home purchase loans to moderate-income borrowers is lower than the percentage of moderate-income families in the AA. The bank's market share for low-income borrowers is somewhat lower than its overall market share for home purchase loans. The bank's market share for moderate-income borrowers is near its overall market share for home purchase loans.

#### **Home Improvement**

The borrower income distribution of home improvement loans is adequate for the Southwest MS AA. The percentage of home improvement loans to low-income borrowers is significantly lower than the percentage of low-income families in the AA. The percentage of home improvement loans to moderate-income borrowers is somewhat lower than the percentage of moderate-income families in the AA. The bank's market share of home improvement loans for low-income borrowers exceeds the bank's overall market share for home improvement loans. The bank's market share of home improvement loans for moderate-income borrowers is somewhat lower than the bank's overall market share for home improvement loans.

#### **Home Refinance**

The borrower income distribution of home refinance loans is poor for the Southwest MS AA. The percentage of home refinance loans to low-income borrowers is significantly lower than the percentage of low-income families in the AA. The percentage of home refinance loans to moderate-income borrowers is significantly lower than the percentage of moderate-income families in the AA. The market share of home refinance loans to low-income borrowers is near the bank's overall market share for home refinance loans. The market share of home refinance loans to moderate-income borrowers is near the bank's overall market share for home refinance loans.

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

Refer to Table 11 in Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

The bank's borrower distribution of small business loans is adequate.

In evaluating the bank's performance, we considered the competitive market in which the bank operates regarding small business lending and the deteriorating economic conditions in 2008, which adversely affected both demand for credit and availability of credit on a national scale, especially for smaller businesses.

### **Jackson AA**

TNB's distribution of small loans to businesses with revenues of \$1 million or less is adequate given economic conditions. The percentage of small loans to businesses is lower than the percentage of businesses with revenues of \$1 million or less in the AA. The bank's market share to businesses with revenues of \$1 million or less exceeds the bank's overall market share for small loans to businesses, regardless of revenue size.

Over 73 percent of the bank's small business loans were originated for under \$100 thousand. This performance is good considering that the need for smaller dollar business loans is met, in large part, by credit card lenders who often possess competitive advantages over other financial institutions in that segment of the market.

### **Hattiesburg AA**

TNB distribution of small loans to businesses with revenues of \$1 million or less is adequate given economic conditions. The percentage of small loans to businesses is lower than the percentage of businesses with revenues of \$1 million or less in the AA. The bank's market share to businesses with revenues of \$1 million or less exceeds the bank's overall market share for small loans to businesses, regardless of revenue size.

Over 76 percent of the bank's small business loans were originated for under \$100 thousand. This performance is good considering that the need for smaller dollar business loans is met, in large part, by credit card lenders who often possess competitive advantages over other financial institutions in that segment of the market.

### **Southwest MS AA**

TNB distribution of small loans to businesses with revenues of \$1 million or less is good given economic conditions. The percentage of small loans to businesses is somewhat lower than the percentage of businesses with revenues of \$1 million or less in the AA. The bank's market share to businesses with revenues of \$1 million or less exceeds the bank's overall market share for small loans to businesses, regardless of revenue size.

Over 81 percent of the bank's small business loans were originated for under \$100 thousand. This performance is good considering that the need for smaller dollar business loans is met, in

large part, by credit card lenders who often possess competitive advantages over other financial institutions in that segment of the market.

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

Refer to Table 12 in Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to farms.

The geographic distribution of small loans to farms is good.

### **Jackson AA**

TNB distribution of small loans to farms with revenues of \$1 million or less is good in the Jackson AA. The percentage of small loans to farms is near the percentage of farms with revenues of \$1 million or less in the AA. The bank's market share to farms with revenues of \$1 million or less is near the bank's overall market share for small loans to farms, regardless of revenue size.

### **Hattiesburg AA**

TNB distribution of small loans to farms with revenues of \$1 million or less is adequate in the Hattiesburg AA. The percentage of small loans to farms is somewhat lower than the percentage of farms with revenues of \$1 million or less in the AA. The bank's market share to farms with revenues of \$1 million or less is near the bank's overall market share for small loans to farms, regardless of revenue size.

### **Southwest MS AA**

TNB distribution of small loans to farms with revenues of \$1 million or less is good in the Southwest MS AA. The percentage of small loans to farms is near the percentage of farms with revenues of \$1 million or less in the AA. The bank's market share to farms with revenues of \$1 million or less is near the bank's overall market share for small loans to farms, regardless of revenue size.

## **Community Development Lending**

Refer to Table 1 Lending Volume in the state of Mississippi section of Appendix D for the facts and data used to evaluate the bank'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 multifamily loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

### **Jackson MSA AA**

TNB is a leader in making community development loans in the Jackson AA. The bank's CD lending activity in the Jackson MSA AA had a positive impact on the lending test rating. During this evaluation period, Trustmark originated and/or purchased \$69 million in CD loans. These CD loans provided affordable housing or qualified community services to low- or moderate-

income individuals, stabilized or revitalized low- or moderate-income areas or provided economic development through job creation.

Some specific examples of the CD loans originated during this evaluation period follows:

- A \$20 million tax and revenue anticipation note to a public school district. The proceeds were used to renovate and update schools within the district. Over 80 percent of the students in the school district come from low- or moderate-income families.
- A \$9.4 million loan to construct housing and retail space near a local university campus revitalizing and stabilizing a moderate-income geography. The loan was financed using New Market Tax Credits.
- A \$2.3 million loan to a non-profit organization which provides non-traditional financing and technical assistance to minority- and women-owned small businesses.
- A \$1.8 million and a \$1.7 million loan to construct a 48 unit and 96 unit apartment complex, respectively. Both projects are secured by Low Income Housing Tax Credits.

### **Hattiesburg AA**

Trustmark made an adequate level of community development loans in the Hattiesburg AA. The bank's CD lending activity in the Hattiesburg MSA AA had a neutral impact on the lending test rating. During this evaluation period, Trustmark originated a \$256 thousand loan to construct an apartment complex secured by New Market Tax Credits. This is a qualified CD loan because it provides affordable housing to low- and moderate-income individuals.

### **Southwest MS AA**

Trustmark made an adequate level of community development loans in the Southwest MS AA. The bank's CD lending activity in the Southwest MS non-MSA AA had a neutral impact on the lending test rating. During this evaluation period, Trustmark originated \$1.4 million in CD loans including a \$217 thousand and a \$196 thousand loan to a non-profit organization which provides food, shelter, and medical care to low- and moderate-income individuals.

## **Product Innovation and Flexibility**

TNB makes use of innovative and flexible lending practices in a safe and sound manner to address the credit needs of low- or moderate-income individuals and geographies, which has a positive impact on the lending test rating.

TNB provides a zero percent interest line of credit to an affordable housing organization operating in Metro Jackson in the amount of \$1,750,000. Richard Hickson, TNB's CEO, was instrumental in obtaining commitments from other local banks to further fund this program. Due to his efforts, an overall amount of \$5,495,000 is provided at zero percent interest between TNB and other area banks. This program is considered both innovative and flexible, as it is the first program of its kind benefitting this national organization.

TNB participates in a partnership between local lenders and various nonprofit organizations to provide homeownership opportunities to private individuals, focusing on those who have been negatively impacted by Hurricane Katrina and/or the national credit crisis. The program is available in the bank's Biloxi AA and offers zero-percent interest on a second mortgage funded by CDBG funds, up to \$3,500 in grant funds toward closing costs, no origination fee, flexibility in lending since loans won't be sold on the secondary market and a LTV of 40/60 percent with a graduating scale based on household annual median income (AMI). Of the 62 loans Trustmark has funded, 31 have been below 80 percent of AMI. This program is considered flexible.

Trustmark participates in a loan pool through a nonprofit corporation that exists to assist in the construction and development of residential housing throughout the state of Mississippi to persons of low to moderate income. Eligible applications include experienced tax credit developers eligible under the QAP. TNB provides a pro-rata share of a loan pool in the amount of \$1,000,000. Each loan made by the FIHOP pool is divided according to each bank's percentage of interest in the pool so that risk is shared among every bank. The interest rates on these loans are lower than market rate and the amortization schedule is longer. Most, if not all, banks in Mississippi do not offer 25 year payouts on low-income housing as does this type of loan. This program is considered flexible due to the below market rates and longer payout terms.

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

Based on limited-scope reviews, the bank's performance under the lending test in the Biloxi MSA AA, and East MS AA is not inconsistent with the bank's overall High Satisfactory performance under the lending test in Mississippi. Performance in the Northern MS AA, Central MS AA and West MS AA is weaker than the bank's overall High Satisfactory performance under the lending test in Mississippi. Refer to the Tables 1 through 13 in the state of Mississippi section of Appendix D for the facts and data that support these conclusions.

## **INVESTMENT TEST**

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

The bank's performance under the investment test in Mississippi is rated Outstanding. Based on full-scope reviews, the bank's performance in the Jackson MSA, Hattiesburg MSA and Southwest MS AAs is excellent.

Refer to Table 14 in the state of Mississippi section of Appendix D for the facts and data used to evaluate the bank's level of qualified investments.

#### **Jackson MSA AA**

The bank's dollar volume of qualifying investments, grants, and donations demonstrates an excellent level of qualified investments. Qualified investments, grants, and donations total

\$26.2 million. This conclusion considers the good level of investment opportunities within the AA and the bank's capacity to address these needs.

During the evaluation period, TNB made 13 investments in the Jackson MSA AA for a total of \$24 million. \$10.8 million of these investments provided for construction, repair and expansion of schools serving primarily low- and moderate-income students. \$6.8 million of these investments funded home ownership and rental housing for low- and moderate-income households. \$6.3 million of these investments went to a project to revitalize and stabilize a low-income geography. These investments exhibit an excellent responsiveness to the credit and community development needs of the Jackson MSA AA. TNB made no complex and innovative investments.

In addition, the bank's dollar volume of qualified contributions reflects the bank's willingness to work with a variety of organizations in the AA to help meet various community development needs. During the evaluation period, the bank made 385 donations totaling over \$1.5 million to numerous organizations providing affordable housing, revitalization/stabilization of low- and moderate-income geographies and community services to low- and moderate-income individuals. Community service programs range from youth education and empowerment programs to food banks and homeless shelters. The bank was also able to leverage three of its donations through the use of FHLB Partnership Grants, which matched the bank's contributions 3 to 1.

Five prior period investments totaling \$581 thousand remain outstanding. These prior period investments all were for affordable housing. The bank also received credit for a binding unfunded commitment of \$1.3 million related to a multifamily affordable housing project.

### **Hattiesburg AA**

The bank's dollar volume of qualifying investments, grants, and donations demonstrates an excellent level of qualified investments. Qualified investments grants, and donations total \$7.6 million. This conclusion considers the somewhat limited investment opportunities within the AA and the bank's capacity to address these needs.

During the evaluation period, TNB made five investments in the Hattiesburg MSA AA for a total of \$7.4 million. \$5.3 million of these investments provided for construction, repair and expansion of schools serving primarily low- and moderate-income students. \$2.1 million of these investments funded home ownership and rental housing for low- and moderate-income households. These investments exhibit an excellent responsiveness to the credit and community development needs of the Hattiesburg MSA AA. TNB made no complex and innovative investments.

In addition, the bank's dollar volume of qualified contributions reflects the bank's willingness to work with a variety of organizations in the AA to help meet various community development needs. During the evaluation period, the bank made 26 donations totaling over \$36 thousand to organizations providing affordable housing, revitalization/stabilization of low- and moderate-income geographies and community services to low- and moderate-income individuals.

One prior period investment totaling \$109 thousand remains outstanding. This prior period investment was for affordable housing.



## **Southwest MS AA**

The bank's dollar volume of qualifying investments, grants, and donations demonstrates an excellent level of qualified investments. Qualified investments grants and donations total \$3.3 million. This conclusion considers the very limited investment opportunities within the AA and the bank's capacity to address these needs.

During the evaluation period, TNB made two investments in the Southwest MS AA for a total of \$3.1 million. \$3 million of these investments provided for construction, repair and expansion of schools serving primarily low and moderate-income students. \$95 thousand of these investments funded home ownership for low- and moderate-income households. These investments exhibit an excellent responsiveness to the credit and community development needs of the Southwest MS AA. TNB made no complex and innovative investments.

In addition, the bank's dollar volume of qualified contributions reflects the bank's willingness to work with a variety of organizations in the AA to help meet various community development needs. During the evaluation period, the bank made 148 donations totaling over \$66 thousand to organizations providing affordable housing, revitalization/stabilization of low- and moderate-income geographies and community services to low- and moderate-income individuals.

Two prior period investments totaling \$164 thousand remain outstanding. These prior period investments were for affordable housing.

## **Broader Statewide or Regional Investments**

The bank received credit for two prior period investments totaling \$2.5 million that benefited a broader statewide or regional area including the bank's AAs and had the potential to benefit the AAs. In addition, since the bank adequately addressed the community development needs of its AAs in Mississippi, credit was also given for eight current period investments totaling \$13.8 million that were made in the state of Mississippi but outside the bank's assessment areas with no potential to benefit the bank's AAs. \$13.7 million of these investments provided for construction, repair and expansion of schools serving primarily low- and moderate-income students while the remainder funded home ownership for low- and moderate-income households.

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

Based on limited-scope reviews, the bank's performance under the investment test in the Biloxi MSA, East MS, West MS and Northern MS AAs is not inconsistent with the bank's overall Outstanding performance under the investment test in Mississippi. In the Central MS AA, the bank's performance is weaker than the bank's overall performance in the state due to lower investment volumes in relation to the bank's presence in the Central MS AA. The weaker performance in this AA did not impact the bank's overall rating.

Refer to the Table 14 in the state of Mississippi section of Appendix D for the facts and data that support these conclusions.

## SERVICE TEST

### Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the service test in Mississippi is rated Outstanding. Based on full-scope reviews, the bank's performance is excellent in the Jackson and Hattiesburg AAs. The bank's performance in the Southwest MS AA is adequate.

### Retail Banking Services

Refer to Table 15 in the state of Mississippi section of Appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

#### Jackson AA

TNB's delivery systems are readily accessible to geographies and individuals of different income levels in its assessment area. TNB's percentage of branches in low- and moderate-income geographies exceeds the percentage of population residing in these areas.

During this evaluation period, TNB opened three branches: one each in a low-, moderate-, and middle-income geography. TNB closed one branch during the evaluation period, which was in a middle-income geography. With the opening of two branches in a low- or moderate- geography, TNB's record of opening and closing branch has improved the accessibility of its delivery systems, particularly in low- or moderate-income geographies and low- or moderate-income individuals in the AA. TNB's percentage of branches in both low- and moderate-income geographies now exceeds the percentage of population residing in these areas.

TNB offers a full-range of deposit services and loan products, which do not vary in a way that inconveniences the assessment area, particularly low- and moderate-income geographies and low- and moderate-income individuals. Office hours and services in the full-scope AA are comparable among locations regardless of the income level of the geography. There are no significant differences in banking hours provided by the branches in the different geographies.

#### Hattiesburg AA

TNB's delivery systems are readily accessible to geographies and individuals of different income levels throughout the assessment area. TNB's percentage of branches in both low- and moderate-income geographies exceeds the percentage of population residing in these areas.

During this evaluation period, TNB opened two banking offices and closed one banking office, all in upper income geographies. TNB's record of opening and closing banking offices did not have an adverse impact on the accessibility of delivery systems to low- or moderate-income individuals or in low- or moderate-income areas.

TNB offers a full-range of deposit services and loan products, which do not vary in a way that inconveniences the assessment area, particularly low- and moderate-income geographies and

low- and moderate-income individuals. Office hours and services in the full-scope AA are comparable among locations regardless of the income level of the geography. There are no significant differences in banking hours provided by the branches in the different geographies.

### **Southwest MS AA**

TNB's delivery systems are reasonably accessible to geographies and individuals of different income levels throughout the full-scope assessment area. The AA does not contain any low-income geographies and only four moderate-income geographies. In moderate-income geographies, TNB's percentage of branches is significantly lower than the 17.37 percent of the population residing in these areas. However, the bank has branch offices in close proximity, which service these areas.

During this evaluation period, TNB did not open any banking offices in this assessment area and closed one banking office in a middle-income geography. TNB's record of opening and closing banking offices did not have an adverse impact on the accessibility of delivery systems to low- or moderate-income individuals or in low- or moderate-income areas.

TNB offers a full-range of deposit services and loan products, which do not vary in a way that inconveniences the assessment area, particularly low- and moderate-income geographies and low- and moderate-income individuals. Office hours and services in the full-scope AA are comparable among locations regardless of the income level of the geography. There are no significant differences in banking hours provided by the branches in the different geographies.

## **Community Development Services**

### **Jackson AA**

The number of community services provided during this evaluation period is excellent. TNB is a leader in providing community development services in this AA, having provided qualified CD services to 22 CD organizations that provide affordable housing, community services to low- or moderate-income individuals, or that provide economic development. Services provided included serving on boards, fundraising committees, finance committees, loan committees, or as members of these organizations. Additionally, TNB provided homebuyer education classes, small business lending information, and other financial literacy classes in partnership with CD organizations and area schools serving primarily low- and moderate-income students and individuals.

In addition to participating in various CD organizations, TNB was instrumental in organizing eight area banks to participate with Habitat for Humanity in providing a \$5.6 million revolving, no interest line of credit with TNB accepting a \$1.75 million share. TNB served in the leadership role to develop the participatory agreement to provide funding for future homes to LMI families. This program is a first for a Habitat affiliate and will serve as a model nationwide.

TNB also actively participates in writing and sponsoring grants through the Federal Home Loan Bank of Dallas. The grant programs are designed to assist qualified first time homebuyers with down payment and closing costs and to provide assistance with housing rehabilitation and

construction. TNB assisted in obtaining four grants through the FHLB totaling \$366,500 in the Jackson MSA AA as well as other grants that are available throughout the bank's assessment areas, including the Jackson AA.

In addition, TNB entered an agreement with the Institute for Disability Studies of Mississippi to serve as the depository institution for IDA accounts established for low- or moderate-income individuals through the Home of Your Own (HOYO) program. Funds from individuals are matched with grant monies to assist with down payment and closing costs for the purchase of a home.

### **Hattiesburg AA**

TNB provides an adequate level of CD services in the Hattiesburg MSA. This assessment is based on the limited opportunities in the AA and the number of CD services performed. During this evaluation period, TNB provided CD services to three qualified CD organizations and several area schools which serve primarily low- and moderate-income students by providing education seminars. In addition, three TNB locations in the Hattiesburg AA participate in the HOYO program by serving as the depository institution for IDA accounts for low- and moderate-income individuals.

### **Southwest MS AA**

TNB provides a relatively high level of CD services in the Southwest SM AA. TNB provided qualified CD services to 12 organizations that provide affordable housing, community services to low- or moderate-income individuals, or that provide economic development. Also, TNB provided homebuyer education classes and seminars geared toward small businesses on the various governmental programs that are available. Services provided included serving on boards, fundraising committees, finance committees, loan committees, or as members of these organizations. The majority of the services provided were homebuyer education classes, small business lending information, and other financial literacy classes in partnership with CD organizations and area public schools serving primarily low- and moderate-income students.

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

Based on limited-scope reviews, the bank's performance under the service test in the Central, East, Northern, and West AAs is not inconsistent with the bank's overall Outstanding performance under the service test in Mississippi. In the Biloxi MSA AA, the bank's performance is weaker than the bank's overall performance in the state. The distribution of branches in this area in moderate-income geographies is lower than the percentage of the population in these tracts.

Refer to Table 15 in the state of Mississippi section of Appendix D for the facts and data that support these conclusions.

## State Rating

### State of Texas

<b>CRA Rating for Texas:</b>	<b>Satisfactory</b>
<b>The lending test is rated:</b>	<b>Low Satisfactory</b>
<b>The investment test is rated:</b>	<b>Outstanding</b>
<b>The service test is rated:</b>	<b>Low Satisfactory</b>

The major factors that support this rating include:

- TNB originated an excellent amount of community development loans totaling \$8.7 million, which had a significantly positive impact on the bank’s lending test rating.
- TNB’s lending activity is excellent.
- TNB’s geographic distribution of small loans to businesses is poor.
- TNB’s borrower distribution of small loans to businesses is poor.
- TNB’s geographic distribution of home mortgage loans is adequate.
- TNB’s borrower distribution of home mortgage loans is poor.
- TNB has an excellent level of qualifying investments, grants, and donations.
- TNB’s delivery systems are reasonably accessible to geographies and individuals of different income levels.

### Description of Institution’s Operations in Texas

Trustmark National Bank operates 16 branches in one assessment area in the state of Texas. This assessment area is made up of part of the Houston MSA.

Based on FDIC Deposit Market Share data as of June 30, 2009, TNB has very limited penetration in the Houston MSA market with only a .48 percent deposit market share. Altogether, 119 insured financial institutions operated in this AA in 2009. Only one bank, JP Morgan Chase (32 percent) had deposit market share greater than 10 percent. These statistics portray a competitive market for financial services in the AA.

TNB does not have a significant market share of home mortgage or small business loans. Home mortgage lending is dominated by numerous large banks and mortgage companies. Small business lending is dominated by several large banks and credit card lenders. The top five lenders held over 73 percent of the market share of small business loans reported for 2009.

Refer to the Market Profiles for the state of Texas in Appendix C for detailed demographics and other performance context information for assessment areas that received full-scope reviews.

## **Scope of Evaluation in Texas**

The state of Texas has only one assessment area. This is the Houston MSA AA. A full-scope review was conducted on this assessment area. 100 percent of the reportable loans and bank's deposits in Texas were in the Houston AA. See Appendix A for more information on the Houston AA.

The breakdown of loans by number in the Houston AA is as follows:

Home Mortgage loans – 14 percent of total reported loans by number  
Small loans to Businesses – 86 percent of total reported loans by number  
Small loans to farms – Less than 1 percent of total reported loans by number

As Small loans to Businesses represent 86 percent of total reported loans by number in the Houston AA, more weight will be given to this product in the final rating.

Home Mortgage loans in Houston AA were comprised of 63 percent home purchase loans, 9 percent home improvement loans, and 28 percent of home refinancing loans. Therefore, more weight on the Houston AA performance will be placed on performance for home purchase loans in evaluating home mortgage products.

There are numerous opportunities to make CD loans and investments and provide CD services in the AA. We identified a number of CD organizations that operate in the AA. This includes several CDCs, CDFIs, and organizations that provide affordable housing, community services or economic development. We made one community contact in conjunction with this examination to affordable housing organizations. Based on the contact made and review of demographic information on the area, affordable housing was identified as a need in the area. Also, there are six qualified CD credit unions that operate in the area.

## **LENDING TEST**

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

The bank's performance under the lending test in the state of Texas is rated Low Satisfactory. Based on full-scope reviews, the bank's performance in the Houston AA is adequate.

### **Lending Activity**

Refer to Tables 1 Lending Volume in the state of Texas section of Appendix D for the facts and data used to evaluate the bank's lending activity.

TNB's lending activity in the Houston AA is excellent. Small business loans represent a majority of the bank's CRA lending activity with 85 percent of the CRA reportable loans by number and 84 percent by dollar. Based on FDIC Deposit Market Share data as of June 30, 2009, TNB held a 0.48 percent market share of the dollar amount of deposits; ranking 22<sup>nd</sup> among 119 FDIC insured financial institutions in the AA. During 2008, TNB achieved a 2.25 percent market share by dollar volume of small loans to businesses, ranking 14<sup>th</sup> among 168 reporting lenders indicating excellent performance. By number of loans the bank ranked 23<sup>rd</sup> with a 0.29 percent market share. Market share of small business loans by dollar volume was given more weight than market share by number of loans due to the large volume of small credit card loans originated in the AA by large credit card lending institutions, many of which do not take deposits in the AA thus distorting the comparison. Six of the top ten lenders by number of loans had average loan amounts of \$10 thousand or less. Home mortgage loans represent 14 percent of the CRA reportable loans by number and 14 percent by dollar. Home purchase loans represent 63 percent of mortgage loans by number while refinance loans made up 28 percent and home improvement loans 9 percent. During 2008, the bank did not have a meaningful market share of home mortgage loans in the Houston AA. This lack of market share for home mortgage loans is not considered negative because the market is very competitive for mortgages with 563 lenders reporting home purchase loans and only seven lenders with greater than three percent market share of home purchase loans. The market for refinance loans was similar and home improvement loans represented a small portion of the bank's home mortgage lending activity. Small loans to farms and multifamily loans did not represent a significant volume of the bank's lending in the Houston AA. TNB originated an excellent volume of community development loans in the AA totaling \$8.7 million.

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

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

Refer to Tables 2, 3, 4, and 5 in the state of Texas section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The bank's geographic distribution of home mortgage loans is adequate.

In evaluating the geographic distribution of home loans in the Houston AA, it is important to note the number of low- and moderate-income tracts and the population distribution in these tracts. The Houston AA contains 63 low-income tracts, and 225 moderate-income tracts. There are 91,106 households (7 percent of total households) living in low-income tracts, and 384,293 households (31 percent of total households) living in moderate-income tracts. It is also important to note the number of households that live below the poverty level in these tracts. The low-income tracts contain 20 percent of households living below the poverty level. The moderate-income tracts contain 48 percent of households living below the poverty level. The significant level of households living below the poverty level makes lending for home mortgages difficult in the low- and moderate-income tracts.

Low-income tracts contain less than four percent of the owner-occupied housing units in the Houston AA so more weight is given to the bank's performance in moderate-income tracts, which contain over 26 percent of the owner-occupied housing units.

### Home Purchase

The geographic distribution of home purchase loans is adequate in the Houston AA. The percentage of home purchase loans in low-income geographies exceeds the percent of owner-occupied housing units. This helps to offset the very poor performance shown in moderate-income geographies. The percentage of home purchase loans in moderate-income geographies was significantly lower than the percentage of owner-occupied housing units. The bank's market shares were too low for meaningful analysis.

### Home Improvement

The geographic distribution of home improvement loans is adequate in the Houston AA. There was limited loan volume with only 24 loans made. The bank did not make any home improvement loans in low-income geographies. The percentage of home improvement loans in moderate-income geographies is somewhat lower than the percentage of owner-occupied housing units. The bank's market shares were too low for meaningful analysis.

### Home Refinancing

The geographic distribution of home refinance loans is adequate in the Houston AA. The percentage of home refinance loans in low-income geographies exceeds the percentage of owner-occupied housing units. This helps to offset the very poor performance shown in moderate-income tracts. The percentage of home refinance loans in moderate-income geographies was lower than the percentage of owner-occupied housing units. The bank's market shares were too low for meaningful analysis.

### Multifamily

TNB did not make any multifamily loans in the Houston AA.

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

Refer to Table 6 in Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

TNB's geographic distribution of small loans to businesses is poor in the Houston AA. The percentage of small loans to businesses in low-income tracts is significantly lower than the percentage of businesses located in these tracts. The percentage of small loans to businesses in moderate-income tracts is lower than the percentage of businesses in these tracts. The bank's market share for low-income tracts is near its overall market share for small loans to businesses. The bank's market share for moderate-income tracts is near its overall market share for small loans to businesses.



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

Refer to Table 7 in Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to farms.

TNB originated only 8 small farm loans so geographic distribution analysis is not meaningful.

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

Data detailing TNB's lending activity over the evaluation period for home mortgage loans and small loans to businesses were reviewed to identify gaps in the geographic distribution of those loans. No unexplained conspicuous gaps were identified.

### ***Inside/Outside Ratio***

TNB has a good record of lending inside its AA by number of loans and dollar amount of loans for the state of Texas. A majority of TNB's home mortgage loans originated in the Houston AA. The bank originated approximately 66 percent of the number and 62 percent of the dollar amount in the bank's AA. A substantial majority of small loans to businesses (approximately 82 percent of the number and 84 percent of the dollar amount) also originated in the Houston AA.

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

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

Refer to Tables 8, 9, and 10 in the Houston AA section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The distribution of home mortgage loans by income level of the borrower is poor.

In evaluating the borrower distribution of home mortgage loans, we considered the number of households that live below the poverty level and the barriers that this may have on home ownership. The percentage of total households living below poverty level in the Houston AA based on the 2000 census data is 13 percent. In addition to this, the AA has 24 percent of its population that are classified as low-income families. The median sales price housing value for the city of Houston based on the 2009 National Association of Realtors is approximately \$153,100. It would be difficult for persons living below the poverty level to afford a house in this price range.

### **Home Purchase**

The borrower income distribution of home purchase loans is poor for the Houston AA. The percentage of home purchase loans to low-income borrowers is significantly lower than the percentage of low-income families in the AA. The percentage of home purchase loans to moderate-income borrowers is lower than the percentage of moderate-income families in the

AA. More weight was given to the bank's performance to moderate-income borrowers due to the difficulties low-income borrowers have in qualifying for mortgage loans. This is especially true with the tightening of credit standards with the economic downturn. The bank's market share for low-income borrowers is significantly lower than its overall market share for home purchase loans. The bank's market share for moderate-income borrowers is lower than its overall market share for home purchase loans.

### Home Improvement

The borrower income distribution of home improvement loans is good for the Houston AA. The percentage of home improvement loans to low-income borrowers is somewhat lower than the percentage of low-income families in the AA. The percentage of home improvement loans to moderate-income borrowers exceeds the percentage of moderate-income families in the AA. The bank's market share of home improvement loans for low-income borrowers is significantly lower than the bank's overall market share for home improvement loans. The bank's market share of home improvement loans for moderate-income borrowers exceeds the bank's overall market share for home improvement loans.

### Home Refinance

The borrower income distribution of home refinance loans is very poor for the Houston AA. The percentage of home refinance loans to low-income borrowers is significantly lower than the percentage of low-income families in the AA. The percentage of home refinance loans to moderate-income borrowers is significantly lower than the percentage of moderate-income families in the AA. The market share of home refinance loans to low-income borrowers exceeds the bank's overall market share for home refinance loans. The market share of home refinance loans to moderate-income borrowers is significantly lower than the bank's overall market share for home refinance loans.

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

Refer to Table 11 in Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

In evaluating the bank's performance, we considered the competitive market in which the bank operates regarding small business lending and the deteriorating economic conditions in 2008, which adversely affected both demand for credit and availability of credit on a national scale, especially for smaller businesses.

TNB distribution of small loans to businesses with revenues of \$1 million or less is poor. The percentage of small loans to businesses is lower than the percentage of businesses with revenues of \$1 million or less in the AA. The bank's market share to businesses with revenues of \$1 million or less exceeds the bank's overall market share for small loans to businesses, regardless of revenue size.

Over 55 percent of the bank's small business loans were originated for under \$100 thousand. This performance is good considering that the need for smaller dollar business loans is met, in large part, by credit card lenders who often possess competitive advantages over other financial institutions in that segment of the market.

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

Refer to Table 7 in Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to farms.

TNB originated only 8 small farm loans so geographic distribution analysis is not meaningful.

### **Community Development Lending**

Refer to Table 1 Lending Volume in the state of Texas section of Appendix D for the facts and data used to evaluate the bank'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 multifamily loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

The bank's CD lending activity in the Houston MSA AA had a significantly positive impact on the lending test rating. During this evaluation period, Trustmark originated and/or purchased \$8.7 million in CD loans. These CD loans provided economic development through financing small businesses/job creation, providing community services to low- and moderate-income individuals and providing affordable housing.

Some specific examples of the CD loans originated during this evaluation period follows:

- A \$2 million Small Business Administration (SBA) 504 loan to a non-profit organization to construct an auto collision repair facility. This loan promoted economic development by financing a small business and creating jobs.
- A \$2.3 million SBA 504 loan to a non-profit organization to build a distribution center. This loan promoted economic development by financing a small business and creating jobs.
- A \$1.8 million loan to rehab space for use by a non-profit organization to provide education services to low- and moderate-income individuals.
- A \$1.2 million SBA 504 loan to a non-profit organization to purchase a warehouse. This loan promoted economic development by financing a small business and creating jobs.

### **Product Innovation and Flexibility**

No innovative or flexible loan products are offered in the state of Texas.

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

TNB did not have any limited-scope review areas for the state of Texas during the evaluation period.

## **INVESTMENT TEST**

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

The bank's performance under the investment test in Texas is rated Outstanding. Based on a full-scope review, the bank's performance in the Houston MSA AA is excellent. Refer to Table 14 in the state of Texas section of Appendix D for the facts and data used to evaluate the bank's level of qualified investments.

The bank's dollar volume of qualifying investments, grants, and donations demonstrates an excellent level of qualified investments. Qualified investments, grants, and donations total \$14 million. This conclusion considers the numerous investment opportunities within the AA and the bank's capacity to address these needs. TNB made no complex and innovative investments.

During the evaluation period, TNB made eight investments in the Houston MSA AA for a total of \$10.1 million. All of these investments funded home ownership and rental housing for low- and moderate-income households. These investments exhibit an excellent responsiveness to the credit and community development needs of the Houston MSA AA.

In addition, the bank's dollar volume of qualified contributions reflects the bank's willingness to work with a variety of organizations in the AA to help meet various community development needs. During the evaluation period, the bank made 33 donations totaling over \$52 thousand to organizations providing community services to low- and moderate-income individuals. Community service programs range from education programs to health related services.

Five prior period investments totaling \$3.8 million remain outstanding. These prior period investments all were for affordable housing. The bank also received credit for a binding unfunded commitment of \$909 thousand related to a multifamily affordable housing project.

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

TNB did not have any limited-scope review areas for the state of Texas during the evaluation period.

## **SERVICE TEST**

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

The bank's performance under the service test in Texas is rated Low Satisfactory. Based on full-scope reviews, the bank's performance in the Houston MSA is adequate.

### **Retail Banking Services**

Refer to Table 15 in the state of Texas section of Appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

TNB's delivery systems are reasonably accessible to geographies and individuals of different income levels throughout the full-scope assessment area. TNB has no branches in low-income census tracts. However, the percentage of the population in these tracts is relatively low at 8.14 percent. In moderate-income geographies, TNB's percentage of branches is significantly lower than the percentage of the population residing in these areas.

During this evaluation period, TNB opened six branches: one in a moderate-income geography, two in middle-income geographies and three in upper-income geographies. There were no branches closed in the Houston MSA AA during this evaluation period. With the opening of a branch in a moderate geography, TNB's record of opening and closing branches had a positive impact on the accessibility of delivery systems, particularly in low- or moderate-income geographies or on low- or moderate-income families in the AA. However, TNB's percentage of branches in both low- and moderate-income geographies remains less than the percentage of population residing in these areas.

TNB offers a full-range of deposit services and loan products, which do not vary in a way that inconveniences the assessment area, particularly low- and moderate-income geographies and low- and moderate-income individuals. Office hours and services in the full-scope AA are comparable among locations regardless of the income level of the geography. There are no significant differences in banking hours provided by the branches in the different geographies.

### **Community Development Services**

The number of community services provided during this evaluation period is adequate. TNB provided qualified CD services to 10 CD organizations that provide affordable housing, community services to low- or moderate-income individuals, or that provide economic development. Also, TNB provided homebuyer education classes and seminars geared toward small businesses on the various governmental programs that are available. Services provided included serving on boards, fundraising committees, finance committees, loan committees, or as members of these organizations. The majority of the services provided were homebuyer education classes, small business lending information, and other financial literacy classes in partnership with CD organizations and area public schools serving primarily low- and moderate-income students.

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

TNB did not have any limited-scope review areas for the state of Texas during the evaluation period.

## State Rating

### State of Florida

<b>CRA Rating for Florida:</b>	<b>Satisfactory</b>
<b>The lending test is rated:</b>	<b>High Satisfactory</b>
<b>The investment test is rated:</b>	<b>High Satisfactory</b>
<b>The service test is rated:</b>	<b>High Satisfactory</b>

The major factors that support this rating include:

- TNB originated over \$6.4 million of community development loans in the state of Florida which had a significantly positive impact on the bank's lending test rating.
- TNB's lending activity is good in the Panama City AA.
- TNB's geographic distribution of home mortgage loans is adequate.
- TNB's borrower distribution of home mortgage loans is adequate.
- TNB's borrower distribution of small business loans is adequate.
- TNB's geographic distribution of small business loans is very poor.
- TNB has significant level of qualifying investments, grants, and donations.
- TNB's delivery systems are accessible to geographies and individuals of different income levels.

### Description of Institution's Operations in Florida

Trustmark National Bank operates eight branches in three assessment areas in the state of Florida including two MSA areas and one non-MSA area.

Based on FDIC Deposit Market Share data as of June 30, 2009, TNB has very limited penetration in the state of Florida market with only a .05 percent deposit market share. However, the bank is ranked tenth with a 3.18 percent deposit market share in the three assessment areas in which it operates. Altogether, 38 insured financial institutions operated in the bank's AAs in 2009. Only two banks, Regions (17.76 percent) and Peoples First Community Bank (10 percent) had deposit market shares of 10 percent or greater. These statistics portray a competitive market for financial services in the bank's AAs.

The Panama City MSA AA is the bank's most significant assessment area in the state. The majority of the bank's loans and deposits in Florida are located in this AA along with four of the bank's eight branches.

TNB does not have a significant market share of home mortgage loans. TNB is the 13<sup>th</sup> largest small business lender in the Panama City MSA AA with a 1.75 percent market share by number but ranks 3<sup>rd</sup> with a 12.8 percent market share by dollar amount. Small business lending is dominated by several large banks and credit card lenders. The top five lenders held over 63 percent of the market share of small business loans reported for 2009.

Refer to the Market Profiles for the state of Florida in Appendix C for detailed demographics and other performance context information for assessment areas that received full-scope reviews.

## **Scope of Evaluation in Florida**

The state of Florida has three assessment areas. These are the Panama City AA, Fort Walton AA, and the Walton County AA. A full-scope review was conducted on the Panama City AA assessment area. 61.75 percent of the reportable loans and 52.94 percent of the bank's deposits in Florida were in the Panama City AA. See Appendix A for more information on the Panama City AA. The Fort Walton AA had 19.36 percent of the reportable loans and 21.56 percent of the bank's deposits in Florida. The Walton County AA had 18.89 percent of the reportable loans and 25.60 percent of the bank's deposits in Florida.

The breakdown of loans by number in the Panama City AA is as follows:

Home Mortgage loans – 67 percent of total reported loans by number  
Small loans to Businesses – 32 percent of total reported loans by number  
Small loans to farms – Less than 1 percent of total reported loans by number

As home mortgage loans represent 67 percent of total reported loans by number in the Panama City AA, more weight will be given to this product in the final rating.

Home Mortgage loans in Panama City AA were comprised of 67 percent home purchase loans, 2 percent home improvement loans, and 30 percent of home refinancing loans. Therefore, more weight on the Panama City AA performance will be placed on performance for home purchase loans in evaluating home mortgage products.

In the Panama City AA, the opportunity to make CD loans and investments and provide CD services is somewhat limited. We identified twelve organizations that operate in the area, one of which is a CDC. The vast majority of these organizations provide affordable housing or economic development for the area. Based on our community contact, affordable housing programs for first time home buyers and low- and moderate-income families were identified as needs in this AA. There are no CHDOs or CDFIs that operate in the MSA.

## LENDING TEST

### Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the lending test in the state of Florida is rated High Satisfactory. Based on full-scope reviews, the bank's performance in the Panama City AA is good. The bank's excellent performance for community development lending had a significantly positive impact on this assessment.

### Lending Activity

Refer to Tables 1 Lending Volume in the state of Florida section of Appendix D for the facts and data used to evaluate the bank's lending activity.

TNB's lending activity in the Panama City AA is good. Home mortgage loans represented the majority of the bank's CRA lending activity at 67 percent of the CRA reportable loans by number and 69 percent by dollar. Home purchase loans represent 67 percent of mortgage loans by number while refinance loans made up 30 percent and home improvement loans 2 percent. Based on FDIC Deposit Market Share data as of June 30, 2009, TNB held a 4.64 percent market share of the dollar amount of deposits; ranking 8<sup>th</sup> among 19 FDIC insured financial institutions in the AA. During 2008, the bank achieved a 2.94 percent market share by dollar volume of home purchase loans, ranking 10<sup>th</sup> among 188 reporting lenders. By number of loans, the bank also ranked 10<sup>th</sup> with a 3.39 percent market share.

The bank achieved a 5.52 percent market share by dollar volume of home refinance loans, ranking 4<sup>th</sup> among 239 reporting lenders. By number of loans, the bank ranked 12<sup>th</sup> with a 2.35 percent market share. These market ranks/shares are considered good when compared to the deposit market rank/share considering the large volume of mortgage loans originated in the AA by large regional banks and mortgage companies, many of which do not take deposits in the AA thus distorting the comparison.

The bank achieved a 0.50 percent market share by dollar volume of home improvement loans, ranking 16<sup>th</sup> among 38 reporting lenders. By number of loans, the bank also ranked 20<sup>th</sup> with a 0.72 percent market share. These market ranks/shares are not considered negatively. The home improvement market is dominated by a credit union with a 46.57 percent market share by number and home improvement loans do not make up a significant portion of the bank's CRA lending in the Panama City AA.

Small business loans represent 33 percent of the CRA reportable loans by number and 30 percent by dollar. TNB achieved a 12.80 percent market share by dollar volume of small loans to businesses, ranking 3<sup>rd</sup> among 61 reporting lenders indicating excellent performance. By number of loans the bank ranked 13<sup>th</sup> with a 1.75 percent market share. Market share of small business loans by dollar volume was given more weight than market share by number of loans due to the large volume of small credit card loans originated in the AA by large credit card lending institutions, many of which do not take deposits in the AA thus distorting the comparison. Seven of the top ten lenders by number of loans had average loan amounts of \$10 thousand or less. Small loans to farms and multifamily loans did not represent a significant portion of the bank's lending activity.



TNB originated an excellent volume of community development loans in the AA totaling \$1.8 million.

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

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

Refer to Tables 2, 3, 4, and 5 in the state of Florida section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The bank's geographic distribution of home mortgage loans is adequate.

In evaluating the geographic distribution of home loans in the Panama City AA, it is important to note the number of low- and moderate-income tracts and the population distribution in these tracts. The Panama City AA contains 1 low-income tract, and 10 moderate-income tracts. There are 699 households (1 percent of total households) living in low-income tracts, and 14,265 households (24 percent of total households) living in moderate-income tracts. It is also important to note the number of households that live below the poverty level in these tracts. The low-income tracts contain 4 percent of households living below the poverty level. The moderate-income tracts contain 41 percent of households living below the poverty level. The significant level of households living below the poverty level makes lending for home mortgages difficult in the low- and moderate-income tracts. The low-income tract contains only about 1 percent of the owner-occupied housing units in the assessment area so more weight was given to performance in the moderate-income tracts which contained over 19 percent of the owner-occupied housing units.

### **Home Purchase**

The geographic distribution of home purchase loans is good in the Panama City AA. The percentage of home purchase loans in low-income geographies is somewhat lower than the percent of owner-occupied housing units. The percentage of home purchase loans in moderate-income geographies is somewhat lower than the percentage of owner-occupied housing units. The bank's market share in low-income tracts exceeds its overall market share for home purchase loans. The bank's market share in moderate-income tracts exceeds its overall market share for home purchase loans.

### **Home Improvement**

The geographic distribution of home improvement loans is poor in the Panama City AA. The percentage of home improvement loans in low-income geographies is significantly lower than the percentage of owner-occupied housing units. The percentage of home improvement loans in moderate-income geographies is somewhat lower than the percentage of owner-occupied housing units. The bank's market share in low-income tracts is significantly lower than its overall market share for home improvement loans. The bank's market share in moderate-income tracts is significantly lower than its overall market share for home improvement loans.

### Home Refinancing

The geographic distribution of home refinance loans is poor in the Panama City AA. The percentage of home refinance loans in low-income geographies is significantly lower than the percentage of owner-occupied housing units. The percentage of home refinance loans in moderate-income geographies was somewhat lower than the percentage of owner-occupied housing units. The bank's market share in low-income tracts is significantly lower than its overall market share for home refinance loans. The bank's market share in moderate-income tracts is somewhat lower than its overall market share for home refinance loans.

### Multifamily

TNB only originated 3 multifamily loans in the Panama City AA so geographic distribution analysis is not meaningful.

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

Refer to Table 6 in Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

TNB's geographic distribution of small loans to businesses is very poor for small loans to businesses in the Panama City AA. The percentage of small loans to businesses in low-income tracts is significantly lower than the percentage of businesses located in these tracts. The percentage of small loans to businesses in moderate-income tracts is lower than the percentage of businesses in these tracts. The bank's market share for low-income tracts is significantly lower than to its overall market share for small loans to businesses. The bank's market share for moderate-income tracts is somewhat lower than its overall market share for small loans to businesses.

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

Refer to Table 7 in Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to farms.

TNB made one small loan to a farm. This loan was not located in a low-income or moderate-income geography. No further analysis was needed.

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

We reviewed maps showing loan distributions to determine the location of home mortgage and small business loan borrowers. There were not any unexplained conspicuous gaps identified.

### ***Inside/Outside Ratio***

TNB has a good record of lending inside its AAs by number of loans and dollar amount of loans for the state of Florida. A substantial majority of TNB's home mortgage loans originated in the Florida AAs. The bank originated approximately 75 percent of the number and 82 percent of the dollar amount in the bank's combined AAs. A substantial majority of small loans

to businesses (approximately 93 percent of the number and of the dollar amount) also originated in the Florida AAs.

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

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

Refer to Tables 8, 9, and 10 in the Panama City AA section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The distribution of home mortgage loans by income level of the borrower is adequate for the Panama City AA.

In evaluating the borrower distribution of home mortgage loans, we considered the number of households that live below the poverty level and the barriers that this may have on home ownership. The percentage of total households living below poverty level in the Panama City AA based on the 2000 census data is 13 percent. In addition to this, the AA has 19 percent of its population that are classified as low-income families. The median sales price housing value for the city of Panama City based on the 2008 Federal Housing Finance Agency is approximately \$177,773. It would be difficult for persons living below the poverty level to afford a house in this price range.

### **Home Purchase**

The borrower income distribution of home purchase loans is good for the Panama City AA. The percentage of home purchase loans to low-income borrowers is significantly lower than the percentage of low-income families in the AA. The percentage of home purchase loans to moderate-income borrowers exceeds the percentage of moderate-income families in the AA. More weight was given to the bank's performance to moderate-income borrowers due to the difficulties low-income borrowers have in qualifying for mortgage loans. This is especially true with the tightening of credit standards with the economic downturn. The bank's market share for low-income borrowers exceeds its overall market share for home purchase loans. The bank's market share for moderate-income borrowers exceeds its overall market share for home purchase loans.

### **Home Improvement**

The borrower income distribution of home improvement loans is good for the Panama City AA. The percentage of home improvement loans to low-income borrowers is somewhat lower than the percentage of low-income families in the AA. The percentage of home improvement loans to moderate-income borrowers exceeds the percentage of moderate-income families in the AA. The bank's market share of home improvement loans for low-income borrowers exceeds the bank's overall market share for home improvement loans. The bank's market share of home improvement loans for moderate-income borrowers is significantly lower than the bank's overall market share for home improvement loans.

## Home Refinance

The borrower income distribution of home refinance loans is poor for the Panama City AA. The percentage of home refinance loans to low-income borrowers is lower than the percentage of low-income families in the AA. The percentage of home refinance loans to moderate-income borrowers is lower than the percentage of moderate-income families in the AA. The market share of home refinance loans to low-income borrowers exceeds the bank's overall market share for home refinance loans. The market share of home refinance loans to moderate-income borrowers is significantly lower than the bank's overall market share for home refinance loans.

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

Refer to Table 11 in Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

In evaluating the bank's performance, we considered the competitive market in which the bank operates regarding small business lending and the deteriorating economic conditions in 2008, which adversely affected both demand for credit and availability of credit on a national scale, especially for smaller businesses.

TNB distribution of small loans to businesses with revenues of \$1 million or less is adequate. The percentage of small loans to businesses is somewhat lower than the percentage of businesses with revenues of \$1 million or less in the AA. The bank's market share to businesses with revenues of \$1 million or less exceeds the bank's overall market share for small loans to businesses, regardless of revenue size.

Over 48 percent of the bank's small business loans were originated for under \$100 thousand. This performance is adequate considering that the need for smaller dollar business loans is met, in large part, by credit card lenders who often possess competitive advantages over other financial institutions in that segment of the market.

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

Refer to Table 7 in Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to farms.

TNB made one small loan to a farm. This loan was made to a farm with revenues less than \$1 million. No further analysis was needed.

## **Community Development Lending**

Refer to Table 1 Lending Volume in the state of Florida section of Appendix D for the facts and data used to evaluate the bank'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 multifamily loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

The bank's CD lending activity in the Panama City MSA AA had a significantly positive impact on the lending test rating. During this evaluation period, Trustmark originated \$1.8 million in CD loans. An example of a CD loan originated during this evaluation period includes a \$1.2 million loan to a drug recovery center, which serves primarily low- and moderate-income individuals.

### **Product Innovation and Flexibility**

No innovative or flexible loan products are offered in the state of Florida.

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

Based on limited-scope reviews, the bank's performance under the lending test in the Fort Walton AA and Walton County AA is weaker than the bank's overall High Satisfactory performance. This weaker performance did not impact the state lending test rating. Refer to the Tables 1 through 13 in the state of Florida section of Appendix D for the facts and data that support these conclusions.

## **INVESTMENT TEST**

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

The bank's performance under the investment test in Florida is rated High Satisfactory. Based on a full-scope review, the bank's performance in the Panama City MSA AA is good.

Refer to Table 14 in the state of Florida section of Appendix D for the facts and data used to evaluate the bank's level of qualified investments.

The bank's dollar volume of qualifying investments, grants, and donations demonstrates a significant level of qualified investments. Qualified investments, grants, and donations total \$478 thousand. This conclusion considers the somewhat limited investment opportunities within the AA and the bank's capacity to address these needs. TNB made no complex and innovative investments.

During the evaluation period, TNB made three investments in the Panama City MSA AA for a total of \$429 thousand. All three of these investments funded home ownership and rental housing for low- and moderate-income households. These investments exhibit an excellent responsiveness to the credit and community development needs of the Panama City MSA AA.

In addition, the bank's dollar volume of qualified contributions reflects the bank's willingness to work with a variety of organizations in the AA to help meet various community development needs. During the evaluation period, the bank made 63 donations totaling over \$48 thousand to organizations providing community services to low- and moderate-income individuals. Community service programs range from education programs to health related services.

No prior period investments remain outstanding.

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

Based on limited-scope reviews, the bank's performance under the investment test in the Fort Walton MSA AA is stronger than the bank's overall High Satisfactory performance in Florida due to the higher volume of investments in relation to the bank's presence in that AA. This stronger performance did not impact the overall investment test rating in Florida. Due to its limited presence in the area, the bank's performance in the Walton County AA is not inconsistent with the bank's overall High Satisfactory performance under the investment test in Florida.

Refer to Table 14 in the state of Florida section of Appendix D for the facts and data that support these conclusions.

## **SERVICE TEST**

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

The bank's performance under the service test in Florida is rated High Satisfactory. Based on full-scope reviews, the bank's performance in the Panama City MSA AA is good.

### **Retail Banking Services**

Refer to Table 15 in the state of Florida section of Appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

TNB's retail delivery systems are reasonably accessible to geographies and individuals of different income levels throughout the full-scope assessment area. TNB has four full-service banking offices in the Panama City MSA AA; with no locations in a low-income tract. However, the percentage of the population in these tracts is very low at 1.13 percent. TNB has one office in a moderate-income geography with the percentage of branches equal to the percentage of population residing in these areas.

During this evaluation period, TNB opened one branch in the Panama City MSA AA. This office is located in a moderate-income census tract and had a positive impact on the accessibility of delivery systems, particularly in low- or moderate-income geographies or on low- or moderate-income families in the AA. There was one office located in an upper income tract, which was closed in the Panama City MSA AA during this evaluation period.

TNB offers a full-range of deposit services and loan products, which do not vary in a way that inconveniences the assessment area, particularly low- and moderate-income geographies and low- and moderate-income individuals. Office hours and services in the full-scope AA are comparable among locations regardless of the income level of the geography. There are no significant differences in banking hours provided by the branches in the different geographies.

## **Community Development Services**

Based on the number of organizations serviced and the available opportunities in the AA, TNB's level of CD services is adequate.

During this evaluation period, TNB provided CD services to four qualified CD organizations. The types of services provided included serving on the board or on the fund raising committee for organizations that provide affordable housing for low- or moderate-income individuals. Also, TNB provided financial literacy classes to area schools in the AA.

In addition, TNB participated in the Homebuyer Equity Leverage Partnership (HELP) grant program through the Federal Home Loan Bank of Dallas. The grant program is designed to assist qualified first time homebuyers with down payment and closing costs. TNB assisted in obtaining three HELP grants benefitting the Panama City MSA AA through the FHLB totaling \$21 thousand.

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

Based on limited-scope reviews, the bank's performance under the service test in the Fort Walton and Walton County AAs is weaker than the bank's overall High Satisfactory performance under the service test in Florida.

Refer to Table 15 in the state of Florida section of Appendix D for the facts and data that support these conclusions.

## Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the 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”).

<b>Time Period Reviewed</b>	Lending Test (excludes CD loans): (01/01/2006 to 12/31/2009) Investment and Service Tests and CD Loans: (07/12/06 to 04/12/10)	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
Trustmark National Bank (TNB) Jackson, MS	Home Mortgage, Small Business, Small Farm, Community Development	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
		No affiliate products reviewed
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Memphis Multistate MSA Jackson MS MSA Hattiesburg MS MSA Southwest MS MSA Biloxi MS MSA Central MS East MS Northern MS West MS Houston TX MSA Panama City FL MSA Fort Walton FL MSA Walton County FL	Full-Scope Full-Scope Full-Scope Full-Scope Limited-Scope Limited-Scope Limited-Scope Limited-Scope Limited-Scope Full-Scope Full-Scope Limited-Scope Limited-Scope	



## Appendix B: Summary of Multistate Metropolitan Area and State Ratings

RATINGS				
Trustmark National Bank				
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State/Multistate Rating
Trustmark National Bank	High Satisfactory	Outstanding	Outstanding	Outstanding
Multistate Metropolitan Area or State:				
Memphis Multistate Metropolitan Area	Low Satisfactory	Outstanding	Needs to Improve	Satisfactory
State of Mississippi	High Satisfactory	Outstanding	Outstanding	Outstanding
State of Texas	Low Satisfactory	Outstanding	Low Satisfactory	Satisfactory
State of Florida	High Satisfactory	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

### Memphis, Tennessee Multistate MSA (Memphis AA)

Demographic Information for Full-Scope Area: Memphis, Tennessee Multistate MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	251	16.73	23.90	27.09	31.08	1.20
Population by Geography	1,055,942	9.30	24.81	30.96	34.47	0.45
Owner-Occupied Housing by Geography	257,973	5.51	20.08	31.55	42.86	0.00
Businesses by Geography	91,138	8.58	17.39	27.12	46.53	0.38
Farms by Geography	1,694	3.84	13.28	35.18	47.40	0.30
Family Distribution by Income Level	275,071	21.83	16.19	19.67	42.31	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	104,592	16.48	37.75	30.26	15.51	0.00
Median Family Income HUD Adjusted Median Family Income for 2009 Households Below the Poverty Level	= \$46,771 = \$57,800 = 14%	Median Housing Value Unemployment Rate				\$103,500 =3.14 %

(\*) The NA category consists of geographies that have not been assigned an income classification.

Source: 2000 U.S. Census, and 2009 HUD updated MFI.

The bank's Memphis multistate AA consists of Shelby County in Tennessee and DeSoto County in Mississippi. The bank's AA does not arbitrarily exclude any areas, particularly low- or moderate-income areas. The AA consists of 251 census tracts. Based on the 2000 Census median family income of \$46,771, 42 census tracts classified as low-income, 60 as moderate-income, 68 as middle-income, and 78 are classified as upper-income. Three census tracts were not assigned an income classification mainly because these locations house military bases.

TNB provides a full range of loan and deposit products to the AA. TNB has 15 full service and 2 limited service branches in the area. The bank supplements its branch network with 19 ATMs. Trustmark has 11 branches located in Shelby County, Tennessee and 6 branches located in DeSoto County, Mississippi.

Competition for financial services within the MSA is intense and includes several branches of multi-national and regional banks, local community banks, credit unions and other nonbank financial service providers. The bank's deposits in the Memphis multistate MSA as of June 30, 2009 totaled almost \$476 million and ranks as the seventh largest commercial bank out of 59 banks in the MSA with a 2.15 percent market share. TNB ranked in the 21<sup>st</sup> percentile in the market shares of 1.24 percent for HMDA loans, 17<sup>th</sup> in market share of 1.25 for small business loan products, and 4.47 percent for small farm loan products ranks in the 7<sup>th</sup> percentile.

According to the 2000 Census, the population living in the Memphis AA is slightly over 1 million and upward growth is expected to continue due largely to new housing, expansion in business and industry and an increase in tourism and improved government services. The number of families in the Memphis AA was 275,071 in 2000. The percentage of families by income level is 8.09 percent for low-income, 23.61 percent moderate-income, 31.17 percent middle-income and 37.13 percent upper-income. In aggregate, 14 percent of the households had income below the poverty level as reported in the 2009 updated Census.

Based on the 2000 Census, the median housing value in the Memphis AA is \$103,500. In 2000, housing stock in the AA was 422,813 units; with 9.67 percent located in low-income census tracts, 24.56 percent in moderate-income census tracts, 31.19 percent in middle-income census tracts, and 34.58 percent in upper-income census tracts. As of the 2000 Census, 61.01 percent of the available units being owner-occupied, 32.47 percent of the units are occupied-rental units, and 6.52 percent of the units are vacant. The median sales price of existing single-family homes continued to increase each year from 2005 to 2007 to \$137,200 but then began to decline in 2008 to \$119,200 as of 2009. Declining home prices and lower mortgage interest rates have helped to create a higher demand for affordable housing. However, obstacles still facing the area include slow income growth among single wage earner households, working in service sector jobs and retail, are not able to buy or rent a home. Tennessee Housing Development Agency (THDA) offers a variety of programs to alleviate housing problems and has implemented the programs based on identified needs in the Memphis MSA and as a part of the federal housing and economic recovery acts.

Memphis is the world headquarters for FedEx, which provides 32,000 jobs to the MSA. Other industries in the AA include education, government, healthcare, retail, and tourism. The MSA has limited occupational diversity with the top three largest employers employing 40 percent of the local employees. New companies are moving to the area to capitalize on the area's well developed distribution systems. However, the Memphis MSA unemployment rate of 10.9 percent is higher than the national and state averages. The Memphis economy is expected to see some employment growth in the near future, but obstacles still facing the area include high levels of bankruptcy of big retailers and foreclosures, as well as the lack of industrial diversity or a high dependence on one employer.

Contact by the OCC with a local based non-profit organization identified affordable housing for low- and moderate-income families as a continued credit need in the assessment area.

## State of Mississippi

Mississippi is one of the most impoverished states in the country. Even before the current economic downturn, incomes in Mississippi were well behind the rest of the country. Median household incomes continue to decline, having the greatest impact on Black Mississippians. Most of the state's high-poverty areas are in the rural western part of the state. The area adjacent to the Gulf of Mexico is also dotted with several high-poverty areas. Over 40 percent of the areas with the highest poverty rates are also areas with the highest percent of people of color. Lower levels of education are blamed for being the greatest contributor to the state's high-poverty levels.

Overall, the state has very low educational attainment (measured by high school or college completion). Only 78 percent of the state's adult population holds a high school degree, which is the lowest percentage in the country and compares to 84 percent of the United States as a whole. Only 26 percent have earned college degrees, compared to 34 percent nationally. Only 59 percent of Latinos and 70 percent of Blacks in the state have a high school diploma, which suggests that people of color, especially Blacks and Latinos, may not have the same educational opportunity as others in Mississippi. Since 1980, the college graduation gap between Mississippi and the rest of the country has widened from 76 percent of the national rate to below 70 percent. The economic crisis has both further damaged the state's education system but it also positively impacted the education system with \$965 million awarded under the Recovery Act to support public education in Mississippi. However, small rural communities lack the capacity and organizational infrastructure to apply for these funds.

Agriculture is Mississippi's number one industry, employing approximately 29 percent of the state's workforce either directly or indirectly. Agriculture in Mississippi is a 6.3 billion-dollar industry. In terms of revenue generated, Mississippi's top five agricultural products are chickens, cotton, soybeans, aquaculture (farm raised catfish), and cattle and calves. Mississippi is ranked number one in the U.S. in aquaculture and ranked number five in the U. S. in cotton and poultry. There are approximately 42,000 farms in the state covering eleven million acres. Agriculture makes a significant contribution to all 82 counties.

## Jackson MSA AA

Demographic Information for Full-Scope Area: Jackson MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	115	12.17	28.70	31.30	27.83	0.00
Population by Geography	497,197	6.99	27.33	35.39	30.29	0.00
Owner-Occupied Housing by Geography	126,176	3.86	22.94	37.76	35.43	0.00
Businesses by Geography	56,956	8.72	26.88	31.09	33.31	0.00
Farms by Geography	1,241	2.58	18.69	47.95	30.78	0.00
Family Distribution by Income Level	128,734	23.29	16.35	19.29	41.07	0.00
Distribution of Low- and Moderate- Income Families throughout AA Geographies	51,029	10.94	39.76	34.60	14.70	0.00
Median Family Income HUD Adjusted Median Family Income for 2009 Households Below the Poverty Level	= \$44,383 = \$56,700 = 16 %	Median Housing Value Unemployment Rate				\$78,871 3.12%

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2000 U.S. Census, and 2009 HUD updated MFI.

The Jackson MSA comprises five contiguous counties: Copiah, Hinds, Madison, Rankin, and Simpson. There are 115 census tracts in the AA: 14 low-income, 33 moderate-income, 36 middle-income and 32 upper-income. The AA includes the city of Jackson, the state's capitol and largest urban area. The AA is reasonable, consists of whole geographies, and includes all census tracts in the counties listed above. The AA is in compliance with requirements of the CRA regulation.

TNB provides a full range of loan and deposit products to the AA. TNB has 39 full-service and 7 limited-service branches in the AA. The bank supplements its branch network with 76 ATMs. Trustmark has 22 branches located in Hinds County, eleven branches in Rankin County, eight branches in Madison County, three branches in Copiah County, and two branches in Simpson County.

TNB has a significant presence within the assessment area. As of June 30, 2009, the bank held 36 percent of FDIC-insured deposits within the MSA, more than any other institution. The next highest market share was Regions Bank at 24 percent of FDIC-insured deposits. Competition is intense within the AA. A total of 24 institutions serve the area, including three large regional institutions and one national bank, local community banks, credit unions, and other nonbank financial service providers. The MSA also has two Community Development Credit Unions. The largest competitors in this market include Regions Bank, BancorpSouth, and BankPlus. TNB also ranks the highest in market share for HMDA loans in number and dollar amount at 13.12 and 13.08 percent, respectively. In addition, TNB ranks second in market share for small business loan products in number at 11.33 percent and first in dollar

amount at 30.98 percent and ranks highest in market share for small farm loan products at 36.79 percent in number and 37.72 percent in dollar amount.

The population of the Jackson AA was 497,197 in 2000. The per capita income level and cost of living index in the AA are less than the national average. The 2000 Census Data showed 128,734 families residing in the MSA of which 23 percent were low-income families, 17 percent were moderate-income, 19 percent were middle-income, and 41 percent were upper-income. The 2000 census reported the median family income was \$44,383, but the 2009 updated median family income improved to \$56,700. In aggregate, 16 percent of the population had income below the poverty level based on 2009 updated census numbers.

In 2000, housing stock in the AA was 196,546 units; with 7.24 percent located in low-income census tracts, 27.50 percent in moderate-income census tracts, 34.93 percent in middle-income census tracts, and 30.33 percent in upper-income census tracts. Based on the 2000 Census the median housing value was \$78,871. In 2009, the housing value increased to \$134,900 after having experienced a decline from \$142,500 in 2005 to \$128,700 in 2008. As of the 2000 Census, 64 percent of the available units being owner-occupied, 28 percent of the units are occupied-rental units, and 8 percent of the units are vacant. The city of Jackson has targeted seven neighborhoods for revitalization to address the substandard housing stock. The city has established an annual unit production goal of 1,800 new housing units, which will include new construction, infill development, and rehabilitation of existing units. In addition, the city of Jackson adopted a Land Bank Policy that establishes a process for individuals, non-profit housing developers, and for-profit housing developers to acquire over 730 parcels of city owned property for affordable housing development.

Jackson is Mississippi's largest city and its state capital. Economically, the AA is heavily dependent on government jobs, ranging from municipal to federal, employing approximately 40,000 residents of metropolitan Jackson. Manufacturing remains an important economic sector, with nearly 500 manufacturers present in the area. Other major industries include health care, auto manufacturing, telecommunications, financial services, agriculture commodities, and education. The largest employers in the area are the state of Mississippi, Jackson State University, Jackson Public Schools, and Nissan Manufacturing. Despite its amenities, the city of Jackson and Hinds County suffer from falling income levels, a declining population, slow employment growth, and an unfavorable image of Jackson. The unemployment rate was 9.5 percent as of February 2010, which is lower than the state's rate of 11.5 percent and a 3.5 percent above the unemployment rate reported June 30, 2006.

We used information from our own community contacts that provided us with information in developing our assessment area profile. These contacts revealed that the most pressing credit needs are the development of various types of affordable owner occupied and rental housing units and credit education.

## Hattiesburg MSA AA

Demographic Information for Full-Scope Area: Hattiesburg MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	25	8.00	28.00	44.00	20.00	0.00
Population by Geography	123,812	6.00	18.68	44.41	30.91	0.00
Owner-Occupied Housing by Geography	31,070	3.42	13.33	49.31	33.94	0.00
Businesses by Geography	14,527	6.38	13.97	41.65	38.00	0.00
Farms by Geography	239	1.26	6.28	56.07	36.40	0.00
Family Distribution by Income Level	31,572	23.13	15.77	20.95	40.15	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	12,281	9.15	22.34	48.60	19.91	0.00
Median Family Income HUD Adjusted Median Family Income for 2009 Households Below the Poverty Level	= \$38,187 = \$47,300 = 19 %	Median Housing Value Unemployment Rate				\$71,338 = 3.15 %

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2000 U.S. Census, and 2009 HUD updated MFI.

Located in southeast Mississippi, the Hattiesburg MSA includes Forrest County, Perry, and Lamar Counties. TNB's AA includes the entire Hattiesburg MSA, which consists of 25 census tracts. The city of Hattiesburg, located in Forrest County is the fourth largest city in Mississippi. Based on the 2000 Census median family income of \$38,187, there are two census tracts classified as low-income, seven as moderate-income, eleven as middle-income, and five classified as upper-income.

TNB provides a full range of loan and deposit products to the AA. TNB has eight full-service branches and one limited-service branch in the area. TNB has two branches located in Lamar County, five branches in Forrest County, and two branches in Perry County. The bank supplements its branch network with eleven ATMs.

The competition in the Hattiesburg AA is strong. There are several branches of multi-national, regional, and local community banks as well as other nonbank financial service providers of which 52 percent are operated by the top four financial institutions. The bank's deposits in the Hattiesburg AA as of June 30, 2009 totaled \$326 million and ranks as the third largest commercial bank out of 17 total banks in the MSA with a 14.26 percent market share. The Hattiesburg MSA also includes one Community Development Credit Union. TNB ranks second in market share for small farm loan products in number at 18.31 percent and first in dollar amount at 30.62 percent and ranks fourth in market share for small business loan products at 8.25 percent in number and highest in dollar amount at 20.38 percent. In addition, TNB ranked fifth in market share for HMDA loans in number at 4.63 percent and sixth in dollar amount at 4.80 percent.

According to the 2000 Census, the population living in the Hattiesburg AA is 123,812 and is projected to experience minimal growth in the next four years. The number of families in the Hattiesburg AA was 31,572 in 2000. The percentage of families by income level is 23.13 percent for low-income, 15.77 percent moderate-income, 20.95 percent middle-income and 40.15 percent upper-income. In aggregate, 19.38 percent of the population had income below the poverty level as reported in the 2009 updated Census.

Based on the 2000 Census, the median housing value in the Hattiesburg AA is \$71,338. In 2006, housing prices increased over 20 percent and the average home price was \$102,000 and continued to climb to \$148,100 in 2008, according to Cnn.money.com. However, in 2009 the median sales prices began to decrease and dropped 3.2 percent to \$138,000 in 2010, according to zillow.com. In addition, the MSA has experienced an increase in the number of pre-foreclosure, auctions or bank-owned stages of the foreclosure process, resulting in a greater need for affordable housing as income levels are well below the national average. The City of Hattiesburg will continue to use Community Development Block Grant (CDBG) and HOME Investments Partnerships Program (HOME) funds to repair and rehabilitate homes and build new affordable housing. Also, the city will continue to use grant and entitlement funds to offer the homebuyers down payment assistance to eligible first-time homebuyers.

The economic base of the Hattiesburg, MSA is very diverse. The leading industries in Hattiesburg, Mississippi are health care, education, military, and manufacturing and distribution. The area has experienced an increase in jobs with most gains reported in the food and medical industries. Some of the top employers include Forrest General Hospital, The University of Southern Mississippi, Camp Shelby, Wesley Medical Center, Marshall Durbin Poultry, Kohler Company and Johnson Controls. Continual growth in the size of the metropolitan population has resulted in a steady economic increase for the retail and service industries, as well as a greater need for public services. Hattiesburg benefits from its strategic location on a major corridor, which positions the city for continued expansion. However, the major economic challenge in this area continues to be the below average income growth resulting from the low paying service industries prevalent in the AA and a shortage of owner-occupied and rental affordable housing. The Hattiesburg MSA has an unemployment rate of 9.5 percent, compared to the national average of 9.7 percent.

Contact by the OCC with a local based non-profit organization identified affordable housing programs for low- and moderate-income families and small and micro business loans as a critical credit need in the assessment area.



## Southwest Mississippi MSA AA

Demographic Information for Full-Scope Area: Southwest Mississippi MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	25	0.00	16.00	80.00	4.00	0.00
Population by Geography	126,456	0.00	17.37	80.27	2.36	0.00
Owner-Occupied Housing by Geography	37,456	0.00	14.83	82.94	2.23	0.00
Businesses by Geography	15,464	0.00	15.18	81.80	3.02	0.00
Farms by Geography	412	0.00	10.44	88.35	1.21	0.00
Family Distribution by Income Level	34,780	25.83	17.93	19.17	37.07	0.00
Distribution of Low- and Moderate- Income Families throughout AA Geographies	15,218	0.00	20.91	77.72	1.37	0.00
Median Family Income HUD Adjusted Median Family Income for 2009 Households Below the Poverty Level	= \$33,550 = \$41,900 = 23 %	Median Housing Value Unemployment Rate				\$55,187 =3.42%

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2000 U.S. Census, and 2009 HUD updated MFI.

The TNB Southwest MS assessment area includes Amite, Lincoln, Marion, Pike, and Walthall Counties. The AA consists of 25 census tracts.

Based on the 2000 Census Bureau median family income of \$33,550, there are 4 moderate-income census tracts, 20 middle-income census tracts, and 1 census tract classified as upper-income. There are no low-income census tracts in these counties. During the CRA exam period, one or more of the counties included census tracts that were designated as “distressed or underserved” nonmetropolitan middle-income geographies based on criteria focusing on rates of poverty. These criteria indicate a community may have difficulty meeting essential community needs. Walthall County consecutively qualified under both designations based on poverty and population size, density, and dispersion. The assessment area meets the requirements of the CRA regulation and does not arbitrarily exclude any areas, particularly low- and moderate-income geographies.

TNB provides a full range of loan and deposit products to the AA. TNB has eleven full-service branches in the area and one limited-service branch in the area. TNB has two branches in Amite County, four branches in Lincoln County, two branches in Marion County, two branches in Pike County and two branches in Walthall County. The bank supplements its branch network with 12 ATMs.

Competition for financial services within the bank’s assessment area is strong and includes several branches of multi-national, regional, and local community banks; credit unions; and other nonbank financial service providers. The bank’s deposits in the Southwest MS MSA as of June 30, 2009 totaled \$521 million and ranks as the largest commercial bank out of 11

banks in the area with a 28.23 percent of market share. Likewise, TNB ranks highest in market share for HMDA loans in number and dollar amount at 14.01 and 12.72 percent, respectively. TNB also ranks third in small business loan products in number at 13.71 percent and second in dollar amount at 26.80 percent. Likewise, the market share is second for small farm loan products in number at 18.80 percent and third in dollar amount at 18.69 percent.

According to the 2000 Census, the population living in the Southwest MS AA is 126,456 and is projected to experience minimal growth within the next four years. The number of families in the Southwest MS AA was 34,780 in 2000. The percentage of families by income level is 25.83 percent for low-income, 17.93 percent moderate-income, 19.17 percent middle-income and 37.07 percent upper-income. In aggregate, 23 percent of the population had income below the poverty level as reported in the 2009 updated Census.

Based on the 2000 Census, the median housing value in the Southwest MS AA is \$55,187. According to a local realtor, home prices increased from 2006 to mid 2008 and have since decreased, with the average sales price being \$120,000, while land values have remained stable. More affordable housing is needed, including rental units resulting in a greater need for affordable housing.

The leading industries in Southwest MS are timber and its byproducts, education, automotive supplies, and retail trade. Southwest MS is also known as the Pine belt and the timber industry is its number one industry. However, Mississippi's timber product and mill byproducts output and use have decreased since 2007. The other major area employers include the Wal-Mart distribution center and Delphi Corporation, the automotive supplier. Southwest MS has also experienced recent retail growth. However, these jobs provide below average incomes. The 2000 unemployment rate for the Southwest MS MSA was 3.42 percent, much lower than the national and state averages.

### **Amite County**

All of Amite County, Mississippi has been designated as part of the AA. The county has three middle-income census tracts and no low-, moderate- or upper-income census tracts. The number of families in Amite County was 14 thousand as of the 2000 Census. The percentage of families by income level is 26.03 percent for low-income, 16.12 percent moderate-income, 21.85 percent middle-income and 35.99 percent upper-income. In aggregate, 22.99 percent of the households had income below the poverty level as reported in the 2000 Census. The unemployment rate of 12.4 percent is higher than the national and state averages.

### **Lincoln County**

All of Lincoln County, Mississippi has been designated as part of the AA. The county has one moderate-income and five middle-income census tracts. There are no low- or upper-income census tracts. The number of families in Lincoln County was nine thousand as of the 2000 Census. The percentage of families by income level is 21.88 percent for low-income, 18.03 percent moderate-income, 19.09 percent middle-income and 41 percent upper-income. In aggregate, 19.67 percent of the households had income below the poverty level as reported in the 2000 Census. Agriculture is a major industry in Lincoln County and the recent formation of a business park will serve as a catalyst for future economic growth. The unemployment rate of 11.5 percent is higher than the national and state averages.

## **Marion County**

All of Marion County, Mississippi has been designated as part of the AA. The county has six middle-income census tracts and no low-, moderate- or upper-income census tracts. The number of families in Marion County was seven thousand as of the 2000 Census. The percentage of families by income level is 26.28 percent for low-income, 18.31 percent moderate-income, 20.54 percent middle-income and 33.88 percent upper-income. In aggregate, 25.50 percent of the households had income below the poverty level as reported in the 2000 Census. Marion County's strategic location provides prospects for expanding retail and industrial opportunities. The unemployment rate of 12.5 percent is higher than the national and state averages.

## **Pike County**

All of Pike County, Mississippi has been designated as part of the AA. The county has three moderate-income census tracts, three middle-income census tracts and one upper-income census tract. There are no low-income census tracts. The number of families in Pike County was 11 thousand as of the 2000 Census. The percentage of families by income level is 27.91 n for low-income, 18 percent moderate-income, 17.87 percent middle-income and 36.21 percent upper-income. In aggregate, 24.54 percent of the households had income below the poverty level as reported in the 2000 Census. Pike County's strategic location and industrial start-up training for new or expanding companies delivered by Southwest Mississippi Community College help to promote economic development growth. The unemployment rate of 12.1 percent is higher than the national and state averages.

## **Walthall County**

All of Walthall County, Mississippi has been designated as part of the AA. The county has three middle-income census tracts and no low-, moderate- or upper-income census tracts. The number of families in Walthall County was four thousand as of the 2000 Census. The percentage of families by income level is 28.28 percent for low-income, 18.56 percent moderate-income, 17.86 percent middle-income and 35.30 percent upper-income. In aggregate, 25.92 percent of the households had income below the poverty level as reported in the 2000 Census.

According to the 2000 Census, the population living in Walthall County is approximately 15,156. After a recent plant closure, the economy is expected to expand mainly due to a new local apparel company's commitment to employing 100 plus new employees by 2011, with a goal of eventually hiring 200 plus employees, offering wages at or above industry standards. The available skilled workforce in the area for this industry type was one of the primary reasons that the company selected Walthall County. The unemployment rate of 14 percent is higher than the national and state averages.

Contact by the OCC with a local based governmental organization and a local real estate company identified small farm loans and affordable housing as critical credit needs in the assessment area.

## State of Texas

### Houston MSA AA

Demographic Information for Full-Scope Area: Houston MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	657	9.59	34.25	27.40	27.55	1.22
Population by Geography	3,442,371	8.14	34.01	29.15	28.55	0.15
Owner-Occupied Housing by Geography	677,363	3.88	26.08	30.52	39.51	0.00
Businesses by Geography	387,906	5.87	27.49	27.09	39.26	0.29
Farms by Geography	5,488	4.23	22.41	35.15	38.16	0.05
Family Distribution by Income Level	851,043	24.31	17.92	18.71	39.05	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	359,468	13.90	47.36	26.72	12.02	0.00
Median Family Income HUD Adjusted Median Family Income for 2009 Households Below the Poverty Level	= \$51,431 = \$63,800 = 13 %	Median Housing Value Unemployment Rate				100,617 =3.16 %

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2000 U.S. Census, and 2009 HUD updated MFI.

Since the 2000 census, the population of the Houston-Sugar Land-Baytown MSA has grown by 1,152,072, or 24.4 percent. The Houston-Sugar Land-Baytown MSA remains the sixth largest metropolitan area, with a population of 5.8 million as of the 2009 U.S. Census estimate. This MSA is a ten-county metropolitan area in the Gulf Coast region of Southeast Texas. The Houston AA includes all of Harris and Waller Counties and two census tracts in Fort Bend County within a portion of the Houston-Sugar Land-Baytown MSA. The AA does not include the MSA remaining counties of Austin, Brazoria, Chambers, Galveston, Liberty, Montgomery, and San Jacinto because the bank has no branches or banking operations in these counties. These exclusions do not reflect illegal discrimination or arbitrary avoidance of LMI areas. The AA consists of 657 census tracts. Based on the 2000 Census median family income of \$51,431, there are 63 census tracts classified as low-income, 225 as moderate-income, 180 as middle-income and 181 classified as upper-income. Eight census tracts were not assigned an income classification.

TNB provides a full range of loan and deposit products to the AA. TNB has 16 full service branches in the area. The bank supplements its branch network with 17 ATMs.

The bank's deposit market share as of June 30, 2009, ranks twenty-second with less than a 1 percent market share among 119 competing institutions in the Houston AA. Likewise, the market shares of 0.04 percent for HMDA loans and 0.29 percent for small business loan products performed lower in the area. The banking and financial service industry is highly

competitive and includes many branches of multi-national and regional banks, local community banks, credit unions, and other nonbank financial service providers. Houston also has six Community Development Credit Unions. The five largest competitors in this market include: JPMorgan Chase Bank, Bank of America, National Association (N.A.), Wells Fargo Bank, N.A., Amegy Bank, N.A., and Compass Bank.

According to the 2000 Census, the population living in the Houston AA is approximately 3.4 million and is projected to experience moderate growth within the next four years mainly to support growth in consumer services and in the construction industry. The number of families in the Houston AA was 851,043 in 2000. The percentage of families by income level is 24.31 percent for low-income, 17.92 percent moderate-income, 18.71 percent middle-income and 39.05 percent upper-income. In aggregate, 13 percent of the population had income below the poverty level as reported in the 2009 updated Census.

Based on the 2000 Census, the median housing value in the Houston AA is \$100,617. According to the National Association of REALTORS, the median sales price of existing single-family homes continued to increase each year to \$152,500 in 2007 but experienced a slight decrease in 2008 to \$151,600. However, in 2009 the median sales price increased to \$153,100, and resulted in a higher demand for affordable housing.

The unemployment rate is 8.5 percent and 13 percent of the population lives below the poverty level. The unemployment rate has improved over the last year and is expected to continue as the energy industry and trade activities continue to perform at strong levels. The MSA's population is centered in Houston, Texas.

## **Harris County**

All of Harris County, Texas is designated as part of TNB's Houston AA. The county consists of 649 census tracts, 63 low-income census tracts, 223 moderate-income census tracts, 178 middle-income census tracts, 178 upper-income census tracts and 7 census tracts that do not have a designation. Harris County is the largest county in Texas and the third most populous county in the nation topping 4 million. The number of families in Harris County was 840 thousand as of the 2000 Census. The percentage of families by income level is 24.35 percent low-income, 17.74 percent moderate-income, 18.71 percent middle-income and 39 percent upper-income. In aggregate, 13.09 percent of the households had income below the poverty level as reported in the 2000 Census. The 2010 Bureau of Labor Statistics show the unemployment rate is 8.4 percent and is lower than the national and state averages. The county seat is Houston, which is the largest city in Texas and the fourth largest city in the nation. According to *American City Business Journals*, Houston was the fastest growing city in the nation in the 20th century. While still a major refinery center, Houston has diversified its business base so its economy does not follow the drastic rise and fall of oil prices. A portion of Houston is also in Fort Bend County.

## **Fort Bend County**

Among the nation's 257 counties with populations of more than 250,000, Fort Bend county ranked sixth in proportional growth since the 2000 census with an increase of 57.1 percent. TNB has designated only two census tracts (67.21 and 67.43) in Fort Bend County, Texas as part of the AA and both are upper-income census tracts. The number of families in Fort Bend

County AA was three thousand as of the 2000 Census. The percentage of families by income level is five percent low-income, ten percent moderate-income, 10.71 percent middle-income and 74.38 percent upper-income. In aggregate, 3.36 percent of the households had income below the poverty level as reported in the 2000 Census.

Part of Houston is in Fort Bend County and it is one of the fastest growing counties in the Greater Houston Area. Fort Bend County is ranked number one in employment growth in the U. S. according to the U. S. Department of Labor. Incomes in Fort Bend County have grown 10 percent between 2007 and 2008. The county has also added 5,913 new jobs since the second quarter of 2007, an increase of 5 percent. Like the rest of Texas, Fort Bend gets a healthy chunk of its revenue from the energy sector, but it also benefits from a diversity of industries, including education and hospitality that has fueled several decades of rapid population growth. The unemployment rate is 8.3 percent and is lower than the national and state averages.

### **Waller County**

All of Waller County, Texas has been designated as part of the AA. The county has two moderate-income census tracts, two middle-income census tracts, and one upper-income census tract. There are no low-income census tracts. The number of families in Waller County was eight thousand as of the 2000 Census. The percentage of families by income level is 26.43 percent low-income, 18.50 percent moderate-income, 21.67 percent middle-income and 33.41 percent upper-income. In aggregate, 15.55 percent of the households had income below the poverty level as reported in the 2000 Census. The unemployment rate of 8.7 percent is lower than the national and state averages.

Contact by the OCC with a local based non-profit organization identified affordable housing programs for low-and moderate-income families as a continued credit need in the assessment area.

## State of Florida

### PANAMA CITY MSA AA

Demographic Information for Full-Scope Area: PANAMA CITY MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	29	3.45	34.48	41.38	20.69	0.00
Population by Geography	148,217	1.13	25.20	53.34	20.32	0.00
Owner-Occupied Housing by Geography	40,892	1.02	19.70	56.31	22.98	0.00
Businesses by Geography	20,936	0.72	26.80	51.55	20.94	0.00
Farms by Geography	450	0.67	23.78	50.89	24.67	0.00
Family Distribution by Income Level	40,653	19.46	18.07	22.04	40.43	0.00
Distribution of Low- and Moderate- Income Families throughout AA Geographies	15,258	2.58	32.23	52.98	12.22	0.00
Median Family Income HUD Adjusted Median Family Income for 2009 Households Below the Poverty Level	= \$43,088 = \$56,200 = 13 %	Median Housing Value Unemployment Rate			89,146 =2.27%	

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2000 U.S. Census, and 2009 HUD updated MFI.

Located in northwest Florida, the Panama City – Lynn Haven MSA includes Bay County. The principal cities in the MSA are Panama City and Lynn Haven. TNB has designated the entire Panama City – Lynn Haven MSA as their AA, which consists of 29 census tracts.

Based on the 2000 Census Bureau median family income of \$43,088, there is one census tract classified as low-income, ten as moderate-income, twelve as middle-income and six are classified as upper-income. The assessment area meets the requirements of the CRA regulation and does not arbitrarily exclude any areas, particularly low- and moderate-income geographies.

TNB provides a full range of loan and deposit products to the AA. TNB has four full-service branches in the area. The bank supplements its branch network with five ATMs.

Competition for financial services within the bank's assessment area is intense and includes several branches of multi-national and regional banks, local community banks, credit unions, and other nonbank financial service providers. The bank's deposits in the Panama City MSA as of June 30, 2009 totaled \$115 million and ranks as the eighth largest commercial bank out of 19 banks in the area with a 4.64 percent of market share. Likewise, the market shares of 1.94 percent in number and 2.40 percent in dollar amount for HMDA loans and 1.75 percent in number and 12.80 percent for small business loan products ranks in the thirteenth and third

percentiles, respectively. TNB's market share is insignificant in number and dollar amount of small farm loan products.

According to the 2000 Census, the population living in the Panama City AA is approximately 148,217. According to the University of Florida's Bureau of Economic and Business Research data released April 2010, Panama City experienced a small population decrease while unincorporated Bay County saw a 9 percent increase in population and is expected to continue to grow as companies look to locate near the new international airport. The number of families in the Panama City AA was 40,653 in 2000. The percentage of families by income level is 19.46 percent low-income, 18.07 percent moderate-income, 22.04 percent middle-income, and 40.43 percent upper-income. In aggregate, 13 percent of the population had income below the poverty level as reported in the 2009 updated Census.

Panama City's economy is based on tourism as well as government and service industries. The largest employer in the AA is Tyndall Air Force Base which has provided a stable source of jobs and income for the area. However, several retail companies in Panama City have closed recently, and other major employers, such as Tyndall Air Force Base and Sally Mae, have announced future layoffs. These layoffs stand to have a negative impact on the local economy. The outlook for the economy remains somewhat positive for 2010 mainly due to the area's service-based industry resulting from an increase in tourism and the city's decision to hire an economic development director to recruit new businesses. In addition, Panama City is positioned to be the transportation hub for all of northwest Florida with its port and the addition of the new Panama City-Bay County International Airport (the first international airport built in the U.S. since Denver International and post 9-11) with flights scheduled for 2010. Bay County is expected to continue to grow as companies look to locate near the new international airport. Bay County has a relatively well-educated population with below-average income, a combination that signals a favorable recruiting environment for new and expanding companies. However, major economic challenges include a shortage of affordable housing for extremely low, and low- and middle-income households. Improvements to aging infrastructure could hamper the ability to grow; and the area also faces tough competition for tourists and migrants from other Florida locations. The Panama MSA unemployment rate of 11.6 percent is slightly below the state's average of 12.2 percent as of February 2010.

Based on the 2000 Census, the median housing value in the Panama City MSA is \$89,146. Like most other cities/counties in Florida, Panama City experienced a booming real estate market that dramatically increased home and land prices, as well as market-based rents. The median home sales price for a Panama City home increased to \$234,000 in 2007. According to the Florida Association of Realtors (FAR), the median sales price for an existing home in Florida was \$248,600, up almost \$60,000 from the same time in the previous year. However, due to the sub-prime lending problems, home prices have drastically decreased and the foreclosure rates increased at a rate never seen before in this area. FAR remains optimistic that home sales will rebound, which will help to absorb the distressed and foreclosed properties that can distort the median price due to their discounted sales price in comparison to traditional home sales. Bay County is also home to the West Bay Sector Plan, the first and only sector plan approved in Florida. The West Bay Sector Plan includes the new airport site, plus planned residential, retail, commercial and industrial development and acres designated for environmental conservation. Unlike home prices, market-rents increased and have not lowered.



Contact by the OCC with a local governmental agency identified affordable housing programs for first time home buyers and low- and moderate-income families as a continued credit need in the assessment area.

## Appendix D: Tables of Performance Data

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### Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan areas are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to Appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: (1) purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank 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 percent Bank Loans Column in Core Tables 8 through 12 and part of Table 13. Deposit data are compiled by the FDIC and are available as of June 30<sup>th</sup> of each year. Tables without data are not included in this PE. [Note: Do not renumber the tables.]

The following is a listing and brief description of the tables included in each set:

- 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, if applicable, 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**

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**Memphis Multistate Metropolitan Area**

**State of Mississippi**

**State of Texas**

**State of Florida**









Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE															Geography: MEMPHIS AA		Evaluation Period: January 1, 2006 TO December 31, 2010				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*										
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp						
<b>Full Review:</b>																					
Memphis AA	1,027	100.00	5.51	0.58	20.08	6.52	31.55	32.72	42.86	60.18	1.81	1.57	1.59	2.00	1.76						

\* Based on 2008 Peer Mortgage Data: Eastern Region.

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 2000 Census information.













Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES					Geography: MEMPHIS AA		Evaluation Period: January 1, 2006 TO December 31, 2009		
MA/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 Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 Million or Less
<b>Full Review:</b>									
Memphis AA	1,407	100.00	74.80	31.91	74.34	11.51	14.14	1.23	1.35
<b>Limited Review:</b>									

\* Based on 2008 Peer Small Business Data: US.

\*\* 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 -2009).

\*\*\*\* 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 12.22% 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: MEMPHIS AA			Evaluation Period: January 1, 2006 TO December 31, 2009				
MA/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
<b>Full Review:</b>									
Memphis AA	37	100.00	95.34	75.68	56.76	24.32	18.92	4.47	5.47

\* Based on 2008 Peer Small Business Data: US.

\*\* 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 - 2009).

\*\*\*\* 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 13.51 of small loans to farms originated and purchased by Bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: MEMPHIS AA			Evaluation Period: July 12, 2006 TO April 12, 2010				
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Memphis AA	3	4,608	81	5,875	84	10,483	84.37	0	0
<b>Broader Statewide or Regional Area:</b>									
Outside of AA with no potential to benefit AA	0	0	1	1,942	1	1,942	15.63	0	0

\* 'Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.  
 \*\* 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS Geography: MEMPHIS Evaluation Period: July 12, 2006 TO April 12, 2010																	
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Memphis AA	100.00	17	100.00	0	11.76	41.18	47.06	3	3	0	0	-1	1	9.30	24.81	30.96	34.47
<b>Limited Review:</b>																	

Table 1. Lending Volume

LENDING VOLUME		Geography: STATE OF MISSISSIPPI						Evaluation Period: January 1, 2006 TO December 31, 2009				
MA/Assessment Area:	% 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)	
<b>Full Review:</b>												
Jackson MS MSA	55.91	14,829	2,161,517	7,545	934,529	601	38,025	42	68,579	23,017	3,202,650	62.08
Hattiesburg MS MSA AA	6.94	1,542	200,510	1,254	137,844	60	6,030	1	265	2,857	344,649	5.70
Southwest Mississippi	10.05	1,793	163,621	1,980	158,360	357	22,073	8	1,406	4,138	345,460	9.13
<b>Limited Review:</b>												
Biloxi MSA AA	3.46	1,302	215,168	115	16,696	5	673	2	6,346	1,424	238,883	0.39
Central Mississippi	4.73	910	80,409	834	60,540	204	8,247	0	0	1,948	149,196	4.66
East Mississippi	6.26	1,494	187,056	1,021	98,544	44	4,034	18	19,668	2,577	309,302	6.24
Northern Mississippi	6.85	2,087	262,192	683	49,780	39	2,912	9	163	2,818	315,047	4.50
West Mississippi	5.80	1,114	104,960	1,185	106,968	77	5,837	12	766	2,388	218,531	7.30

\* Loan Data as of December 31, 2009. Rated area refers to either the state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is July 12, 2006 to April 12, 2010.

\*\*\* Deposit Data as of June 19, 2009 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: STATE OF MISSISSIPPI				Evaluation Period: January 1, 2006 TO December 31, 2009					Market Share (%) by Geography*				
MA/Assessment Area:	Total Home Purchase 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	Over all	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Jackson MS MSA	8,309	61.72	3.86	1.06	22.94	7.63	37.76	36.03	35.43	55.28	21.97	31.52	19.75	22.22	22.03	
Hattiesburg MS MSA AA	849	6.31	3.42	0.82	13.33	5.65	49.31	38.87	33.94	54.65	6.80	11.11	5.31	6.99	6.81	
Southwest Mississippi	687	5.10	0.00	0.00	14.83	10.77	82.94	83.41	2.23	5.82	14.91	0.00	22.41	13.48	25.00	
<b>Limited Review:</b>																
Biloxi MSA AA	852	6.33	0.00	0.00	10.14	3.52	74.03	84.62	15.83	11.85	7.55	0.00	5.26	7.70	8.01	
Central Mississippi	373	2.77	0.00	0.00	6.12	4.83	73.45	65.15	20.43	30.03	9.76	0.00	8.00	9.62	10.61	
East Mississippi	803	5.96	2.99	0.87	9.34	4.23	53.64	39.60	34.04	55.29	8.00	23.53	7.94	7.73	8.04	
Northern Mississippi	1,017	7.55	0.00	0.00	0.00	0.00	48.04	28.91	51.96	71.09	9.29	0.00	0.00	10.27	8.89	
West Mississippi	573	4.26	5.89	3.84	17.65	6.11	34.05	24.96	42.42	65.10	15.11	14.29	15.49	14.48	15.42	

\* Based on 2008 Peer Mortgage Data: Eastern Region.

\*\* 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 housing units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.



Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT			Geography: STATE OF MISSISSIPPI				Evaluation Period: January 1, 2006 TO December 31, 2009					Market Share (%) by Geography*				
MA/Assessment Area:	Total Home Improvement 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						
<b>Full Review:</b>																
Jackson MS MSA	1,228	47.50	3.86	4.97	22.94	24.51	37.76	42.18	35.43	28.34	23.52	48.28	24.74	25.17	19.41	
Hattiesburg MS MSA AA	121	4.68	3.42	3.31	13.33	9.92	49.31	49.59	33.94	37.19	5.56	0.00	6.45	4.12	8.99	
Southwest Mississippi	425	16.44	0.00	0.00	14.83	8.24	82.94	90.12	2.23	1.65	30.35	0.00	26.32	30.77	33.33	
<b>Limited Review:</b>																
Biloxi MSA AA	34	1.32	0.00	0.00	10.14	5.88	74.03	73.53	15.83	20.59	1.02	0.00	1.92	0.64	2.70	
Central Mississippi	218	8.43	0.00	0.00	6.12	2.75	73.45	75.69	20.43	21.56	19.70	0.00	10.00	18.95	25.71	
East Mississippi	124	4.80	2.99	3.23	9.34	5.65	53.64	47.58	34.04	43.55	5.82	0.00	6.45	3.77	9.30	
Northern Mississippi	223	8.63	0.00	0.00	0.00	0.00	48.04	62.78	51.96	37.22	12.44	0.00	0.00	15.76	9.41	
West Mississippi	212	8.20	5.89	7.08	17.65	11.32	34.05	33.02	42.42	48.58	20.00	23.53	15.22	16.28	25.00	

\* Based on 2008 Peer Mortgage Data: Eastern Region.

\*\* 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 housing units in a particular geography divided by number of owner occupied housing units in the area based on 2000 Census information.

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE			Geography: STATE OF MISSISSIPPI				Evaluation Period: January 1, 2006 TO December 31, 2010					Market Share (%) by Geography*				
MA/Assessment Area:	Total Home Mortgage Refinance 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						
<b>Full Review:</b>																
Jackson MS MSA	5,280	58.78	3.86	1.29	22.94	7.94	37.76	33.73	35.43	57.05	12.31	13.68	7.66	12.34	13.62	
Hattiesburg MS MSA AA	566	6.30	3.42	0.71	13.33	10.78	49.31	32.86	33.94	55.65	4.88	2.70	5.96	3.44	6.15	
Southwest Mississippi	676	7.53	0.00	0.00	14.83	9.76	82.94	86.83	2.23	3.40	11.30	0.00	8.70	11.19	23.40	
<b>Limited Review:</b>																
Biloxi MSA AA	412	4.59	0.00	0.00	10.14	1.94	74.03	81.31	15.83	16.75	3.66	0.00	0.56	3.79	4.31	
Central Mississippi	318	3.54	0.00	0.00	6.12	3.77	73.45	74.21	20.43	22.01	5.42	0.00	4.44	5.18	6.19	
East Mississippi	562	6.26	2.99	0.53	9.34	3.74	53.64	47.69	34.04	48.04	4.76	13.64	3.13	4.52	5.12	
Northern Mississippi	842	9.37	0.00	0.00	0.00	0.00	48.04	37.65	51.96	62.35	5.91	0.00	0.00	6.46	5.62	
West Mississippi	326	3.63	5.89	3.07	17.65	9.51	34.05	25.15	42.42	62.27	8.35	2.22	7.95	6.25	10.09	

\* Based on 2008 Peer Mortgage Data: Eastern Region.

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 2000 Census information.



Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY			Geography: STATE OF MISSISSIPPI				Evaluation Period: January 1, 2006 TO December 31, 2008					Market Share (%) by Geography*				
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies							
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Jackson MS MSA	12	29.27	10.23	8.33	36.42	66.67	28.08	8.33	25.26	16.67	7.14	33.33	10.00	0.00	0.00	
Hattiesburg MS MSA AA	6	14.63	12.62	0.00	29.92	0.00	29.62	16.67	27.84	83.33	0.00	0.00	0.00	0.00	0.00	
Southwest Mississippi	5	12.20	0.00	0.00	32.91	0.00	50.67	100.00	16.42	0.00	60.00	0.00	0.00	60.00	0.00	
<b>Limited Review:</b>																
Biloxi MSA AA	4	9.76	0.00	0.00	19.69	0.00	60.53	50.00	19.79	50.00	11.76	0.00	0.00	12.50	25.00	
Central Mississippi	1	2.44	0.00	0.00	16.73	0.00	45.93	100.00	37.34	0.00	0.00	0.00	0.00	0.00	0.00	
East Mississippi	5	12.20	8.60	0.00	15.54	80.00	36.08	20.00	39.78	0.00	2.63	0.00	50.00	0.00	0.00	
Northern Mississippi	5	12.20	0.00	0.00	0.00	0.00	36.02	80.00	63.98	20.00	10.71	0.00	0.00	12.50	8.33	
West Mississippi	3	7.32	15.16	33.33	23.26	66.67	18.56	0.00	43.02	0.00	22.22	100.00	33.33	0.00	0.00	

\* Based on 2008 Peer Mortgage Data: Eastern Region.

\*\* Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

\*\*\* Percentage of multifamily units is the number of multifamily housing units in a particular geography divided by number of multifamily housing units in the area based on 2000 Census information.



Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES												Geography: STATE OF MISSISSIPPI		Evaluation Period: January 1, 2006 to December 31, 2010			
MA/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	% of Businesses***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Jackson MS MSA	7,545	51.63	8.72	8.18	26.88	18.85	31.09	26.44	33.31	46.53	10.71	15.00	13.11	10.37	10.62		
Hattiesburg MS MSA AA	1,254	8.58	6.38	9.25	13.97	9.73	41.65	36.84	38.00	44.18	8.06	12.69	8.98	8.80	7.47		
Southwest Mississippi	1,980	13.55	0.00	0.00	15.18	9.14	81.80	87.32	3.02	3.54	13.00	0.00	11.75	14.12	9.15		
<b>Limited Review:</b>																	
Biloxi MSA AA	112	0.77	0.00	0.00	18.24	13.39	66.45	68.75	13.25	17.86	0.44	0.00	0.46	0.42	0.55		
Central Mississippi	834	5.71	0.00	0.00	13.61	10.43	67.93	57.43	18.47	32.13	11.49	0.00	12.84	10.66	14.84		
East Mississippi	1,021	6.99	9.56	11.85	14.03	15.18	46.74	37.81	29.67	35.16	4.56	6.51	6.57	4.02	4.65		
Northern Mississippi	683	4.67	0.00	0.00	0.00	0.00	49.02	58.42	50.98	41.58	2.72	0.00	0.00	4.56	1.69		
West Mississippi	1,185	8.11	10.77	14.85	25.31	25.91	28.41	22.53	35.52	36.71	9.40	6.30	14.20	9.65	10.12		

\* Based on 2008 Peer Small Business Data: US.

\*\* 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 2009.

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS			Geography: STATE OF MISSISSIPPI				Evaluation Period: January 1, 2006 to December 31, 2008					Market Share (%) by Geography*				
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans						
<b>Full Review:</b>																
Jackson MS MSA	601	43.33	2.58	0.17	18.69	43.43	47.95	43.93	30.78	12.48	36.79	0.00	58.93	33.52	19.32	
Hattiesburg MS MSA AA	60	4.33	1.26	1.67	6.28	8.33	56.07	65.00	36.40	25.00	18.31	0.00	50.00	17.31	20.00	
Southwest Mississippi	357	25.74	0.00	0.00	10.44	3.92	88.35	96.08	1.21	0.00	18.80	0.00	19.35	19.17	0.00	
<b>Limited Review:</b>																
Biloxi MSA AA	5	0.36	0.00	0.00	13.36	0.00	77.98	80.00	8.30	20.00	19.05	0.00	0.00	18.75	50.00	
Central Mississippi	204	14.71	0.00	0.00	5.53	0.00	79.90	89.22	14.57	10.78	58.33	0.00	0.00	67.07	47.06	
East Mississippi	44	3.17	4.22	0.00	8.97	15.91	53.56	68.18	33.25	15.91	5.52	0.00	50.00	4.51	2.78	
Northern Mississippi	39	2.81	0.00	0.00	0.00	0.00	51.00	74.36	49.00	25.64	7.76	0.00	0.00	9.09	5.26	
West Mississippi	77	5.55	3.20	9.09	20.88	10.39	49.66	61.04	26.26	19.48	14.63	12.50	9.52	25.00	7.14	

\* Based on 2008 Peer Small Business Data: US.

\*\* 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 2009.

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE			Geography: STATE OF MISSISSIPPI						Evaluation Period: January 1, 2006 TO December 31, 2009						
MA/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***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Jackson MS MSA	8,309	61.72	23.29	5.24	16.35	22.17	19.29	28.99	41.07	43.60	23.35	27.14	27.39	25.12	19.57
Hattiesburg MS MSA AA	849	6.31	23.13	3.16	15.77	13.61	20.95	24.79	40.15	58.44	7.38	5.32	7.02	8.08	7.29
Southwest Mississippi	687	5.10	25.83	1.52	17.93	11.23	19.17	17.75	37.07	69.50	16.14	9.09	15.33	12.56	17.92
<b>Limited Review:</b>															
Biloxi MSA AA	852	6.33	20.21	2.95	17.38	16.16	22.12	32.55	40.29	48.35	8.58	15.79	10.79	10.74	6.76
Central Mississippi	373	2.77	18.91	1.66	18.05	14.64	21.14	17.96	41.90	65.75	11.09	13.64	9.90	9.34	12.11
East Mississippi	803	5.96	22.54	1.45	13.40	7.62	17.41	18.00	46.66	72.93	8.61	2.50	6.16	10.26	8.66
Northern Mississippi	1,017	7.55	16.02	1.90	14.09	8.21	19.36	21.52	50.53	68.37	10.37	18.18	10.19	11.30	9.83
West Mississippi	573	4.26	26.64	4.12	15.16	15.41	16.68	24.19	41.52	56.27	16.97	18.75	20.26	16.48	15.85

\* Based on 2008 Peer Mortgage Data: Eastern Region.

\*\* 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 2000 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 2.7% of loans originated and purchased by Bank.

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT			Geography: STATE OF MISSISSIPPI						Evaluation Period: January 1, 2006 TO December 31, 2009						
MA/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***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Jackson MS MSA	1,228	47.50	23.29	18.36	16.35	22.59	19.29	22.59	41.07	36.45	24.71	33.68	33.33	24.62	17.11
Hattiesburg MS MSA AA	121	4.68	23.13	17.14	15.77	9.52	20.95	24.76	40.15	48.57	5.59	7.69	0.00	11.84	3.29
Southwest Mississippi	425	16.44	25.83	8.59	17.93	13.64	19.17	21.21	37.07	56.57	32.19	33.33	23.26	36.49	32.32
<b>Limited Review:</b>															
Biloxi MSA AA	34	1.32	20.21	6.06	17.38	6.06	22.12	15.15	40.29	72.73	1.04	1.54	0.78	0.00	1.53
Central Mississippi	218	8.43	18.91	14.50	18.05	13.50	21.14	20.00	41.90	52.00	19.90	30.77	15.79	25.58	15.73
East Mississippi	124	4.80	22.54	7.02	13.40	16.67	17.41	17.54	46.66	58.77	6.15	10.34	6.25	4.94	5.98
Northern Mississippi	223	8.63	16.02	4.61	14.09	20.28	19.36	19.35	50.53	55.76	13.31	11.43	19.30	21.54	9.18
West Mississippi	212	8.20	26.64	14.57	15.16	21.11	16.68	23.12	41.52	41.21	21.82	24.14	26.92	27.78	16.50

\* Based on 2008 Peer Mortgage Data: Eastern Region.

\*\* 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 2000 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 7.3% of loans originated and purchased by Bank.



Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE			Geography: STATE OF MISSISSIPPI						Evaluation Period: January 1, 2006 TO December 31, 2009						
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share				
	#	% of Total**	% Families ***	% BANK Loans ****	% Families ***	% BANK Loans ****	% Families ***	% BANK Loans ****	% Families ***	% BANK Loans ****	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Jackson MS MSA	5,280	58.78	23.29	3.01	16.35	9.58	19.29	18.17	41.07	69.23	12.35	11.90	12.60	11.16	12.81
Hattiesburg MS MSA AA	566	6.30	23.13	3.48	15.77	5.42	20.95	16.83	40.15	74.27	4.67	2.11	2.99	4.09	5.37
Southwest Mississippi	676	7.53	25.83	3.04	17.93	7.52	19.17	14.24	37.07	75.20	11.72	10.00	9.35	9.63	12.98
<b>Limited Review:</b>															
Biloxi MSA AA	412	4.59	20.21	2.22	17.38	11.60	22.12	21.23	40.29	64.94	4.05	1.69	5.81	3.88	3.91
Central Mississippi	318	3.54	18.91	1.32	18.05	10.86	21.14	13.16	41.90	74.67	5.83	0.00	7.35	6.40	5.85
East Mississippi	562	6.26	22.54	1.91	13.40	6.49	17.41	14.89	46.66	76.72	4.84	0.00	7.30	3.95	4.96
Northern Mississippi	842	9.37	16.02	3.30	14.09	7.45	19.36	15.02	50.53	74.24	6.40	11.58	5.81	8.14	5.85
West Mississippi	326	3.63	26.64	3.93	15.16	7.87	16.68	16.07	41.52	72.13	8.50	6.52	7.55	8.15	8.90

\* Based on 2008 Peer Mortgage Data: Eastern Region.

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

\*\*\* Percentage of Families is based on the 2000 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 9.0% of loans originated and purchased by Bank.



Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES					Geography: STATE OF MISSISSIPPI		Evaluation Period: January 1, 2006 TO December 31, 2009		
MA/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 Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 Million or Less
<b>Full Review:</b>									
Jackson MS MSA	7,545	51.62	76.19	51.57	73.12	13.15	13.73	10.71	15.73
Hattiesburg MS MSA AA	1,254	8.58	75.72	48.64	76.16	11.96	11.88	8.06	12.30
Southwest Mississippi	1,980	13.55	79.14	60.25	81.26	12.27	6.46	13.00	20.71
<b>Limited Review:</b>									
Biloxi MSA AA	115	0.79	76.39	33.04	72.17	11.30	16.52	0.44	0.55
Central Mississippi	834	5.71	76.63	65.59	88.25	5.16	6.59	11.49	22.00
East Mississippi	1,021	6.99	75.61	55.53	79.63	10.28	10.09	4.56	6.22
Northern Mississippi	683	4.67	74.56	57.83	83.89	9.22	6.88	2.72	3.65
West Mississippi	1,185	8.11	74.70	54.94	80.42	10.46	9.11	9.40	16.78

\* Based on 2008 Peer Small Business Data: US.

\*\* 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 -2009).

\*\*\*\* 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 15.74% 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: STATE OF MISSISSIPPI		Evaluation Period: January, 2006 TO December 31, 2009				
MA/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
<b>Full Review:</b>									
Jackson MS MSA	601	43.33	96.70	85.02	84.69	9.48	5.82	36.79	36.10
Hattiesburg MS MSA AA	60	4.33	95.40	68.33	76.67	10.00	13.33	18.31	18.18
Southwest Mississippi	357	25.74	96.60	91.04	84.31	10.92	4.76	18.80	18.31
<b>Limited Review:</b>									
Biloxi MSA AA	5	0.36	95.67	80.00	60.00	20.00	20.00	19.05	21.43
Central Mississippi	204	14.71	97.49	86.27	88.24	9.31	2.45	58.33	63.53
East Mississippi	44	3.17	95.78	72.73	81.82	6.82	11.36	5.52	3.95
Northern Mississippi	39	2.81	97.13	94.87	74.36	25.64	0.00	7.76	9.00
West Mississippi	77	5.55	92.76	61.04	76.62	19.48	3.90	14.63	16.22

\* Based on 2008 Peer Small Business Data: US.

\*\* 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 - 2009).

\*\*\*\* 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 5.05 of small loans to farms originated and purchased by Bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: STATE OF MISSISSIPPI				Evaluation Period: July 12, 2006 TO April 12, 2010			
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Jackson MS MSA	5	581	398	25,660	403	26,241	33.98	1	1,347
Hattiesburg MS MSA AA	1	109	31	7,509	32	7,618	9.86	0	0
Southwest Mississippi	2	164	150	3,161	152	3,325	4.31	0	0
<b>Limited Review:</b>									
Biloxi MSA AA	0	0	14	1,260	14	1,260	1.63	0	0
Central Mississippi	0	0	32	152	32	152	0.20	0	0
East Mississippi	1	179	47	9,247	48	9,426	12.21	0	0
Northern Mississippi	0	0	57	9,141	57	9,141	11.84	0	0
West Mississippi	2	1,807	123	2,128	125	3,935	5.10	0	0
<b>Broader Statewide or Regional Area:</b>									
With potential to benefit the bank's AAs	2	2,251	0	0	2	2,251	2.92	0	0
Outside the AAs with no potential to benefit the bank's AAs	0	0	8	13,879	8	13,879	17.97	0	0

\* 'Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

\*\* 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.



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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS Geography: Mississippi Evaluation Period: July 12, 2006 TO April 12, 2010																	
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Jackson MS MSA	62.08	46	41.06	10.87	30.43	23.91	34.79	3	1	1	1	-1	1	6.99	27.33	35.39	30.29
Hattiesburg MS MSA AA	5.70	9	8.04	11.11	33.33	11.11	44.45	2	1	0	0	0	1	6.00	18.68	44.41	30.91
Southwest Mississippi	9.13	12	10.71	0.00	8.33	91.67	0.00	0	1	0	0	-1	0	0.00	17.37	80.27	2.36
<b>Limited Review:</b>																	
Biloxi MSA AA	0.39	2	1.79	0.00	0.00	50.00	50.00	1	0	0	0	0	1	0.00	14.50	71.97	13.51
Central Mississippi	4.66	10	8.93	0.00	30.00	60.00	10.00	0	0	0	0	0	0	0.00	8.90	71.48	19.62
East Mississippi	6.24	11	9.82	27.27	18.18	18.18	36.37	0	0	0	0	0	0	4.55	12.20	50.35	32.91
Northern Mississippi	4.50	9	8.04	0.00	0.00	66.67	33.33	0	0	0	0	0	0	0.00	0.00	48.11	51.89
West Mississippi	7.30	13	11.61	23.08	30.77	15.38	30.77	0	1	0	0	-1	0	10.17	24.86	31.36	33.61

Table 1. Lending Volume

LENDING VOLUME												
Geography: STATE OF TEXAS												
Evaluation Period: January 1, 2006 TO December 31, 2009												
MA/Assessment Area:	% 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)	
<b>Full Review:</b>												
Houston MSA AA	100.00	268	54,626	1,657	332,824	8	853	6	8,715	1,939	397,018	100.00
<b>Limited Review:</b>												

\* Loan Data as of December 31, 2009. Rated area refers to either the state or multi-state MA rating area.  
 \*\* The evaluation period for Community Development Loans is July 12, 2006 to April 12, 2010.  
 \*\*\* Deposit Data as of June 19, 2009 Rated Area refers to either the state, multi-state MA, or institution, as appropriate.







Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE			Geography: STATE OF TEXAS				Evaluation Period: January 1, 2006 TO December 31, 2010					Market Share (%) by Geography*				
MA/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	Over all	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Houston MSA AA	75	100.00	3.88	8.00	26.08	6.67	30.52	25.33	39.51	60.00	0.03	0.29	0.00	0.03	0.03	

\* Based on 2008 Peer Mortgage Data: Western Region.

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 2000 Census information.



Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES			Geography: STATE OF TEXAS						Evaluation Period: January 1, 2006 to December 31, 2010						
MA/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
<b>Full Review:</b>															
Houston MSA AA	1,656	100.00	5.87	3.20	27.49	17.15	27.09	29.47	39.26	50.18	0.29	0.23	0.22	0.37	0.29
<b>Limited Review:</b>															

\* Based on 2008 Peer Small Business Data: US.

\*\* 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 2009.

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS			Geography: STATE OF TEXAS						Evaluation Period: January 1, 2006 to December 31, 2008						
MA/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
<b>Full Review:</b>															
Houston MSA AA	8	100.00	4.23	0.00	22.41	37.50	35.15	12.50	38.16	50.00	0.45	0.00	0.63	0.40	0.53
<b>Limited Review:</b>															

\* Based on 2008 Peer Small Business Data: US.  
 \*\* 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 2009.

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: STATE OF TEXAS		Evaluation Period: January 1, 2006 TO December 31, 2009											
MA/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***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Houston MSA AA	169	100.00	24.31	5.26	17.92	7.24	18.71	23.03	39.05	64.47	0.05	0.00	0.02	0.07	0.06
<b>Limited Review:</b>															

\* Based on 2008 Peer Mortgage Data: Western Region.  
 \*\* 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 2000 Census information.  
 \*\*\*\* As a percentage of loans with borrower income information available. No information was available for 10.1 % of loans originated and purchased by Bank.

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT			Geography: STATE OF TEXAS				Evaluation Period: January 1, 2006 TO December 31, 2009					Market Share				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers							
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Over all	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Houston MSA AA	24	100.00	24.31	17.65	17.92	29.41	18.71	11.76	39.05	41.18	0.10	0.00	0.29	0.10	0.07	
<b>Limited Review:</b>																

\* Based on 2008 Peer Mortgage Data: Western Region.

\*\* 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 2000 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 29.2% of loans originated and purchased by Bank.

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: STATE OF TEXAS						Evaluation Period: January 1, 2006 TO December 31, 2009							
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share				
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Houston MSA AA	75	100.00	24.31	1.56	17.92	3.13	18.71	12.50	39.05	82.81	0.04	0.11	0.00	0.02	0.05
<b>Limited Review:</b>															

\* Based on 2008 Peer Mortgage Data: Western Region.  
 \*\* Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.  
 \*\*\* Percentage of Families is based on the 2000 Census information.  
 \*\*\*\* As a percentage of loans with borrower income information available. No information was available for 14.7 % of loans originated and purchased by Bank.

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES					Geography: STATE OF TEXAS		Evaluation Period: January 1, 2006 TO December 31, 2009		
MA/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 Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 Million or Less
<b>Full Review:</b>									
Houston MSA AA	1,657	100.00	74.51	35.91	54.98	19.01	26.01	0.29	0.36
<b>Limited Review:</b>									

\* Based on 2008 Peer Small Business Data: US.

\*\* 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 -2009).

\*\*\*\* 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 27.58% of small loans to businesses originated and purchased by the Bank.





Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: STATE OF TEXAS				Evaluation Period: July 12, 2006 TO April 12, 2010			
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Houston MSA AA	5	3,843	41	10,170	46	14,013	100.00	1	909
<b>Limited Review:</b>									

\* 'Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.  
 \*\* 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS Geography: Texas Evaluation Period: July 12, 2006 TO April 12, 2010																	
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings				Population					
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Houston MSA AA	100.00	16	100.00	0.00	12.50	43.75	43.75	6	0	0	1	2	3	8.14	34.01	29.15	28.55
<b>Limited Review:</b>																	

Table 1. Lending Volume

LENDING VOLUME		Geography: STATE OF FLORIDA						Evaluation Period: January 1, 2006 TO December 31, 2009				
MA/Assessment Area:	% 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)	
<b>Full Review:</b>												
Panama City FL MSA	61.75	793	182,399	383	78,463	1	193	4	1,772	1,181	262,827	54.36
<b>Limited Review:</b>												
Ft Walton MSA - Okaloosa	19.36	108	40,893	261	43,423	0	0	1	4,700	370	89,016	18.41
Walton County FL	18.89	180	105,549	178	25,824	2	199	0	0	360	131,572	27.22

\* Loan Data as of December 31, 2009. Rated area refers to either the state or multi-state MA rating area.  
 \*\* The evaluation period for Community Development Loans is July 12, 2006 to April 12, 2010.  
 \*\*\* Deposit Data as of June 19, 2009 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: STATE OF FLORIDA				Evaluation Period: January 1, 2006 TO December 31, 2009					Market Share (%) by Geography*				
MA/Assessment Area:	Total Home Purchase 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	Over all	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Panama City FL MSA	533	83.54	1.02	0.75	19.70	15.38	56.31	62.66	22.98	21.20	3.40	25.00	5.56	2.69	5.28	
<b>Limited Review:</b>																
Ft Walton MSA - Okaloosa Cty	42	6.58	0.00	0.00	2.06	0.00	75.91	42.86	22.03	57.14	0.26	0.00	0.00	0.27	0.25	
Walton County FL	63	9.87	0.00	0.00	0.00	0.00	73.31	12.70	26.69	87.30	0.95	0.00	0.00	0.49	1.15	

\* Based on 2008 Peer Mortgage Data: Eastern Region.

\*\* 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 housing units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT			Geography: STATE OF FLORIDA				Evaluation Period: January 1, 2006 TO December 31, 2009					Market Share (%) by Geography*				
MA/Assessment Area:	Total Home Improvement 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						
<b>Full Review:</b>																
Panama City FL MSA	19	73.08	1.02	0.00	19.70	10.53	56.31	73.68	22.98	15.79	0.72	0.00	0.00	1.25	0.00	
<b>Limited Review:</b>																
Ft Walton MSA - Okaloosa Cty	4	15.38	0.00	0.00	2.06	0.00	75.91	50.00	22.03	50.00	1.30	0.00	0.00	1.85	0.00	
Walton County FL	3	11.54	0.00	0.00	0.00	0.00	73.31	0.00	26.69	100.00	0.00	0.00	0.00	0.00	0.00	

\* Based on 2008 Peer Mortgage Data: Eastern Region.

\*\* 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 housing units in a particular geography divided by number of owner occupied housing units in the area based on 2000 Census information.

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE			Geography: STATE OF FLORIDA				Evaluation Period: January 1, 2006 TO December 31, 2010					Market Share (%) by Geography*				
MA/Assessment Area:	Total Home Mortgage Refinance 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						
<b>Full Review:</b>																
Panama City FL MSA	238	57.77	1.02	0.00	19.70	10.92	56.31	78.57	22.98	10.50	2.31	0.00	1.68	2.85	0.86	
<b>Limited Review:</b>																
Ft Walton MSA - Okaloosa Cty	60	14.56	0.00	0.00	2.06	1.67	75.91	61.67	22.03	36.67	1.23	0.00	3.23	1.22	1.03	
Walton County FL	114	27.67	0.00	0.00	0.00	0.00	73.31	5.26	26.69	94.74	2.97	0.00	0.00	0.57	4.05	

\* Based on 2008 Peer Mortgage Data: Eastern Region.

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 2000 Census information.

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: STATE OF FLORIDA						Evaluation Period: January 1, 2006 TO December 31, 2008							
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Panama City FL MSA	3	60.00	0.71	0.00	15.38	66.67	75.63	33.33	8.27	0.00	7.69	0.00	0.00	8.33	0.00
<b>Limited Review:</b>															
Ft Walton MSA - Okaloosa Cty	2	40.00	0.00	0.00	5.12	0.00	80.92	50.00	13.96	50.00	0.00	0.00	0.00	0.00	0.00
Walton County FL	0	0.00	0.00	0.00	0.00	0.00	3.87	0.00	96.13	0.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2008 Peer Mortgage Data: Eastern Region.

\*\* Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

\*\*\* Percentage of multifamily units is the number of multifamily housing units in a particular geography divided by number of multifamily housing units in the area based on 2000 Census information.



Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES			Geography: STATE OF FLORIDA						Evaluation Period: January 1, 2006 to December 31, 2010						
MA/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
<b>Full Review:</b>															
Panama City FL MSA	383	46.59	0.72	0.00	26.80	10.70	51.55	76.50	20.94	12.79	1.75	0.00	1.11	2.62	0.75
<b>Limited Review:</b>															
Ft Walton MSA - Okaloosa Cty	261	31.75	0.00	0.00	7.07	3.07	64.99	31.80	27.94	65.13	0.93	0.00	0.34	0.50	2.26
Walton County FL	178	21.65	0.00	0.00	0.00	0.00	35.46	6.18	64.54	93.82	1.49	0.00	0.00	0.28	2.05

\* Based on 2008 Peer Small Business Data: US.

\*\* 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 2009.

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS			Geography: STATE OF FLORIDA						Evaluation Period: January 1, 2006 to December 31, 2008						
MA/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
<b>Full Review:</b>															
Panama City FL MSA	1	33.33	0.67	0.00	23.78	0.00	50.89	100.00	24.67	0.00	0.00	0.00	0.00	0.00	0.00
<b>Limited Review:</b>															
Ft Walton MSA - Okaloosa Cty	0	0.00	0.00	0.00	5.36	0.00	69.73	0.00	24.90	0.00	0.00	0.00	0.00	0.00	0.00
Walton County FL	2	66.67	0.00	0.00	0.00	0.00	60.08	100.00	39.92	0.00	5.88	0.00	0.00	6.67	0.00

\* Based on 2008 Peer Small Business Data: US.

\*\* 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 2009.

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: STATE OF FLORIDA						Evaluation Period: January 1, 2006 TO December 31, 2009							
MA/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***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Panama City FL MSA	533	83.54	19.46	4.35	18.07	18.77	22.04	26.09	40.43	50.79	3.86	9.52	8.88	5.88	2.22
<b>Limited Review:</b>															
Ft Walton MSA - Okaloosa Cty	42	6.58	16.15	6.45	21.01	3.23	24.58	3.23	38.27	87.10	0.30	0.00	0.34	0.00	0.45
Walton County FL	63	9.87	19.21	0.00	18.37	0.00	20.95	8.51	41.47	91.49	0.76	0.00	0.00	2.36	0.61

\* Based on 2008 Peer Mortgage Data: Eastern Region.

\*\* 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 2000 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 8.5 % of loans originated and purchased by Bank.

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT			Geography: STATE OF FLORIDA				Evaluation Period: January 1, 2006 TO December 31, 2009					Market Share				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers							
	#	% of Total**	% Families***	% BANK****	% Families***	% BANK****	% Families***	% BANK****	% Families***	% BANK****	Over all	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Panama City FL MSA	19	73.08	19.46	10.53	18.07	21.05	22.04	5.26	40.43	63.16	0.75	4.00	0.00	0.00	0.67	
<b>Limited Review:</b>																
Ft Walton MSA - Okaloosa Cty	4	15.38	16.15	0.00	21.01	66.67	24.58	0.00	38.27	33.33	1.54	0.00	0.00	0.00	3.70	
Walton County FL	3	11.54	19.21	0.00	18.37	0.00	20.95	0.00	41.47	100.00	0.00	0.00	0.00	0.00	0.00	

\* Based on 2008 Peer Mortgage Data: Eastern Region.

\*\* 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 2000 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 3.8% of loans originated and purchased by Bank.

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: STATE OF FLORIDA						Evaluation Period: January 1, 2006 TO December 31, 2009							
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share				
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Panama City FL MSA	238	57.77	19.46	5.21	18.07	8.33	22.04	18.23	40.43	68.23	1.84	4.30	0.28	1.65	2.17
<b>Limited Review:</b>															
Ft Walton MSA - Okaloosa Cty	60	14.56	16.15	2.50	21.01	7.50	24.58	10.00	38.27	80.00	0.80	0.00	0.00	0.00	1.72
Walton County FL	114	27.67	19.21	2.74	18.37	2.74	20.95	6.85	41.47	87.67	1.76	0.00	0.00	0.83	2.14

\* Based on 2008 Peer Mortgage Data: Eastern Region.

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

\*\*\* Percentage of Families is based on the 2000 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 26.0% of loans originated and purchased by Bank.

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES				Geography: STATE OF FLORIDA		Evaluation Period: January 1, 2006 TO December 31, 2009			
MA/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 Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 Million or Less
<b>Full Review:</b>									
Panama City FL MSA	383	46.59	75.48	47.00	48.56	26.11	25.33	1.75	2.99
<b>Limited Review:</b>									
Ft Walton MSA - Okaloosa Cty	261	31.75	75.60	48.66	62.45	17.62	19.92	0.93	1.48
Walton County FL	178	21.65	76.05	51.12	64.61	16.29	19.10	1.49	2.56

\* Based on 2008 Peer Small Business Data: US.

\*\* 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 -2009).

\*\*\*\* 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 27.13% 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: STATE OF FLORIDA		Evaluation Period: January 1, 2006 TO December 31, 2009			
MA/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
<b>Full Review:</b>									
Panama City FL MSA	1	33.33	98.22	100.00	0.00	100.00	0.00	0.00	0.00
<b>Limited Review:</b>									
Ft Walton MSA - Okaloosa Cty	0	0.00	96.17	0.00	0.00	0.00	0.00	0.00	0.00
Walton County FL	2	66.67	95.88	50.00	100.00	0.00	0.00	5.88	0.00

\* Based on 2008 Peer Small Business Data: US.  
 \*\* 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 - 2009).  
 \*\*\*\* 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 33.33 of small loans to farms originated and purchased by Bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: STATE OF FLORIDA				Evaluation Period: July 12, 2006 TO April 12, 2010			
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Panama City FL MSA	0	0	66	478	66	478	14.62	0	0
<b>Limited Review:</b>									
Ft Walton MSA - Okaloosa Cty	3	323	22	2,343	25	2,666	81.56	0	0
Walton County FL	2	110	10	15	12	125	3.82	0	0

\* 'Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

\*\* 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.



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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS Geography: Florida <b>Evaluation Period:</b> July 12, 2006 TO April 12, 2010																	
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Panama City FL MSA	52.94	4	50.00	0.00	25.00	50.00	25.00	1	1	0	1	0	-1	1.13	25.20	53.34	20.32
<b>Limited Review:</b>																	
Ft Walton MSA - Okaloosa Cty FL	21.46	1	12.50	0.00	0.00	0.00	100.00	0	0	0	0	0	0	0.00	12.41	70.87	16.73
Walton County FL	25.60	3	37.50	0.00	0.00	0.00	100.00	0	0	0	0	0	0	0.00	0.00	76.02	23.98