

PUBLIC DISCLOSURE

November 27, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

CB&S Bank, Inc.
Certificate Number: 15310

201 Jackson Ave S
Russellville, Alabama 35653

Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection
Atlanta Regional Office

10 10th Street NE, Suite 900
Atlanta, Georgia 30309-3849

This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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INSTITUTION RATING

INSTITUTION’S CRA RATING: This institution is rated **Satisfactory**.

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

PERFORMANCE LEVELS	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding	-	-	-
High Satisfactory	X	X	X
Low Satisfactory	-	-	-
Needs to Improve	-	-	-
Substantial Noncompliance	-	-	-
<i>* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.</i>			

The Lending Test is rated High Satisfactory.

- Lending levels reflect a good responsiveness to the assessment areas’ credit needs.
- A high percentage of loans are made in the institution’s assessment areas.
- The geographic distribution of loans reflects good penetration throughout the assessment areas.
- The distribution of borrowers reflects good penetration among individuals of different income levels and businesses of different sizes.
- The bank uses innovative and/or flexible lending practices in order to serve its assessment areas’ credit needs.
- The bank has made a relatively high level of community development loans within the assessment areas.

The Investment Test is rated High Satisfactory.

- The institution has a significant level of qualified community development investments and grants.
- The institution exhibits good responsiveness to credit and community economic development needs.
- The institution occasionally uses innovative and/or complex investments to support community development initiatives.

The Service Test is rated High Satisfactory.

- Delivery systems are accessible to essentially all portions of the institution's assessment areas.
- To the extent changes have been made, the institution's opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and to low- and moderate-income individuals.
- Services and business hours do not vary in a way that inconveniences certain portions of the assessment areas, particularly low- and moderate-income geographies and low- and moderate-income individuals.
- The bank provides a relatively high level of community development services.

DESCRIPTION OF INSTITUTION

CB&S Bank, Inc. (CB&S) is a multi-state, commercial bank headquartered in Russellville, Alabama. The bank is wholly owned by CBS Banc-Corp., a one-bank holding company also located in Russellville, Alabama. The bank wholly-owns CB&S Financial Services, Inc. This subsidiary offers various insurance, annuity, and investment services. CB&S has no subsidiaries that offer credit products or whose activities will be considered for this evaluation. CB&S received a Satisfactory rating at the last Community Reinvestment Act (CRA) performance evaluation conducted by the Federal Deposit Insurance Corporation on September 14, 2020. The previous evaluation utilized the Federal Financial Institution Examination Council (FFIEC) Interagency Large Institution Examination Procedures.

CB&S currently operates 54 offices located in Alabama, Tennessee, and Mississippi. Since the previous CRA performance evaluation, the bank has opened two new full-service brick and mortar branches, one in Tuscaloosa, Alabama on September 20, 2021, and one in Mountain Brook, Alabama on October 23, 2023. The bank simultaneously closed a Birmingham, Alabama branch when the Mountain Brook branch opened less than a mile away. The bank also closed two branches in Mississippi since the previous examination, one in Greenville on April 28, 2022 and one in Tupelo on December 31, 2020.

CB&S offers a variety of loan and deposit products and services to consumer and business customers. Loan products include, but are not limited to, fixed- and adjustable-rate residential loans, including home equity lines of credit (HELOC); construction, mobile homes, and balloon payment loans; Small Business Administration (SBA), Veterans Administration (VA), and Federal Housing Administration (FHA) loans; and installment, credit cards, and automobile loans. Deposit products and services include, but are not limited to, interest-bearing checking accounts, student checking accounts, various savings accounts, internet and mobile banking, safety deposit boxes, mobile deposit options, and other electronic banking capabilities.

According to the September 30, 2023, Report of Condition and Income (Call Report), CB&S had total assets of \$2.5 billion, total loans of \$1.2 billion, and total deposits of \$2.2 billion. CB&S Bank's primary lending focus continues to be commercial and residential lending. The largest loan categories for the bank are commercial loans, including commercial real estate and commercial and industrial loans, totaling 47.2 percent, followed by residential loans, including 1-4 family and multi-family loans, totaling 23.6 percent. Loans secured by farmland and agricultural purpose comprise 4.0 percent of total loans.

Loan Portfolio Distribution as of 9/30/2023		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	250,220	21.1
Secured by Farmland	31,344	2.6
Secured by 1-4 Family Residential Properties	252,657	21.3
Secured by Multifamily (5 or more) Residential Properties	27,592	2.3
Secured by Nonfarm Nonresidential Properties	458,703	38.6
Total Real Estate Loans	1,020,516	85.9
Commercial and Industrial Loans	101,584	8.6
Agricultural Production and Other Loans to Farmers	16,466	1.4
Consumer Loans	34,732	2.9
Obligations of State and Political Subdivisions in the U.S.	2,823	0.2
Other Loans	10,827	1.0
Less: Unearned Income	0	0.0
Total Loans	1,186,948	100.0
<i>Source: Call Report</i>		

There are no financial or legal impediments, other than legal lending limits, to prevent the bank from meeting the credit needs of its assessment areas. The national declared disaster of the COVID-19 Pandemic, DR-4486 FL, declared on March 25, 2020, continued into the evaluation period.

DESCRIPTION OF ASSESSMENT AREAS

The CRA requires financial institutions to define assessment areas within which its CRA performance will be evaluated. CB&S has defined ten assessment areas located within Alabama, Mississippi, and Tennessee. The bank defined each assessment area in accordance with the technical requirements of the CRA regulation. The assessment area includes all or portions of various metropolitan statistical areas (MSAs) and non-MSAs (NMSAs). Since the last CRA evaluation, the bank added one assessment area that is located within the Tuscaloosa, Alabama (AL), MSA. The following table provides descriptions of the ten assessment areas.

Description of Assessment Areas			
Assessment Area	Counties in Assessment Area	# of CTs	# of Branches
Alabama NMSA	Franklin and Tallapoosa	23	7
Florence-Muscle Shoals, AL MSA	Colbert and Lauderdale	41	5
Decatur, AL MSA	Lawrence and Morgan	42	4
Huntsville	Madison	95	4
Birmingham	Jefferson and Shelby	244	2
Montgomery	Elmore and Montgomery	91	3
Tuscaloosa	Tuscaloosa	59	1
Mississippi NMSA	Tippah, Alcorn, Lee, Coahoma, Webster, Oktibbeha, Washington, and Leflore	89	12
Tennessee NMSA	Marshall, Giles, Lincoln, Hardeman, Hardin, Decatur, McNairy, and Lewis	53	14
Nashville	Rutherford	64	2
Total		801	54
<i>Source: Bank Records</i>			

Since the last evaluation, the U.S. Census Bureau data was updated from 2010, which was based on the 2015 American Community Survey (ACS) data, to 2020 census information. The 2020 updated census data was used to analyze 2022 lending; whereas, the 2015 ACS data was used to analyze 2020 and 2021 lending. Any material changes to the assessment area demographics will be discussed under the individual assessment areas.

The FFIEC has designated certain non-metropolitan middle-income census tracts as distressed based on high unemployment rates, high poverty rates, and significant population losses. The FFIEC has also designated certain middle-income census tracts in rural areas as underserved. A census tract can be designated as distressed or underserved. This elevates the reasonableness of accessibility to low- and moderate-income individuals. Of the 801 census tracts that comprise the various assessment areas, 33 or 4.1 percent are designated as distressed or underserved middle-income geographies. Refer to the rated areas and individual assessment areas for additional information.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the previous evaluation dated September 14, 2020, to the current evaluation dated November 29, 2023. In evaluating CB&S' CRA performance, examiners used the FFIEC Large Institution CRA Examination Procedures, which consist of three tests: Lending, Investment, and Service. Examiners evaluated the bank's lending data, deposit activity, and number of branches to determine relative weighting of the rated areas. As shown in the following table, the State of Alabama has the most lending (71.1 percent), deposits (55.9 percent), and branch activity (48.2 percent); therefore, examiners gave the most weight to the bank's lending performance in Alabama.

Rated Area Breakdown of Loans, Deposits, and Branches						
Assessment Area/Rated Area	Loans		Deposits		Branches	
	\$(000s)	%	\$(000s)	%	#	%
Alabama NMSA	69,229	9.7	429,218	19.7	7	13.0
Florence-Muscle Shoals, AL MSA	91,857	12.8	256,746	11.8	5	9.3
Decatur, AL MSA	55,179	7.7	180,232	8.3	4	7.4
Huntsville	83,411	11.6	123,080	5.7	4	7.4
Birmingham	117,414	16.4	34,420	1.6	2	3.7
Montgomery	60,076	8.4	143,040	6.6	3	5.5
Tuscaloosa	32,435	4.5	47,551	2.2	1	1.9
Alabama Subtotal	509,601	71.1	1,214,287	55.9	26	48.2
Mississippi NMSA	87,732	12.3	470,372	21.6	12	22.2
Mississippi Subtotal	87,732	12.3	470,372	21.6	12	22.2
Tennessee NMSA	93,921	13.1	461,622	21.2	14	25.9
Nashville	25,300	3.5	28,814	1.3	2	3.7
Tennessee Subtotal	119,221	16.6	490,436	22.5	16	29.6
Total	716,554	100.0	2,175,095	100.0	54	100.0

Source: 2020, 2021 and 2022 HMDA and CRA Data; FDIC Summary of Deposits (6/30/2023); Due to rounding, totals may not equal 100.0%.

The following assessment areas received full-scope reviews:

- Alabama: Alabama NMSA, Florence-Muscle Shoals, AL MSA, and Birmingham
- Mississippi: Mississippi NMSA
- Tennessee: Tennessee NMSA

All other assessment areas were reviewed utilizing limited-scope procedures.

Activities Reviewed

For the Lending Test, examiners review the number and dollar volume of home mortgage, small business, small farm, and consumer loans, if applicable. As such, this evaluation includes a review of home mortgage, small business, and small farm loans reported pursuant to the Home Mortgage Disclosure Act (HMDA) and CRA (small business) reporting requirements for 2020, 2021, and 2022. No other loan types, such as consumer loans, represented a major product line for CB&S. Therefore, examiners did not consider consumer lending during this evaluation.

CB&S reported 1,233 home mortgage loans totaling \$224.2 million in 2020; 1,029 home mortgage loans totaling \$177.9 million in 2021; and 1,016 home mortgage loans totaling \$198.8 million in 2022. CB&S reported 1,396 small business loans totaling \$115.6 million in 2020; 906 small business loans totaling \$115.8 million in 2021; and 469 small business loans totaling \$86.7 million in 2022. CB&S reported 173 small farm loans totaling \$11.7 million in 2020; 287 small farm loans totaling \$17.9 million in 2021; and 126 small farm loans totaling \$9.4 million in 2022. The 2022 HMDA data was compared to the U.S. 2020 Census demographic data and 2022 HMDA aggregate data. The 2021 CRA data (i.e. small business loans) was compared to 2021 CRA aggregate data and 2021 Dunn & Bradstreet (D&B) data. For both

loan categories, examiners reviewed the universe of reported loans in this analysis. However, the tables presented herein reflect the number and dollar volume of loans originated in 2022 for home mortgage loans and 2021 for small business loans, as these are the most recent years for which aggregate data is available. Additionally, due to the nominal number and dollar volume of small farm loans, these loans were not analyzed beyond the Assessment Area Concentration.

This evaluation includes all community development loans, qualified investments, and community development services identified by bank management. Community development loans, investments, and services from September 14, 2020, through November 27, 2023, were considered, unless otherwise noted. Qualified investments accounted for in the prior evaluation, which are still outstanding, were also considered.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

The Lending Test rating for this institution is High Satisfactory. Lending levels reflect good responsiveness to the assessment areas' credit needs and are generally consistent across all rated areas. CB&S made a high percentage of loans in the institution's assessment areas. The geographic distribution and borrower profile reflect good penetration throughout the assessment areas and among borrowers of different incomes and businesses of different sizes. In addition, the bank uses innovative and/or flexible lending practices and makes a relatively high level of community development loans.

Lending Activity

Lending levels reflect good responsiveness to the assessment areas' credit needs.

Based on origination activity during 2020, 2021, and 2022, the bank's lending primarily includes home mortgage, small business, and small farm loans. The bank's lending levels increased from \$959.7 million as of June 30, 2020 to \$1.2 billion as of September 30, 2023, currently 53.9 percent of total assets. Based on origination activity from 2020 through 2022, the bank's leading loan products continue to be home mortgage and small business loans. Home mortgage loans remained relatively stable in volume in 2021 and 2022, while small business loans experienced higher levels of lending in 2020 and 2021, primarily due to Paycheck Protection Program (PPP) loan originations. The bank's lending reflects its responsiveness to community credit needs. In 2020, the United States Government established the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), which implemented the PPP through the SBA to offer economic relief to small businesses adversely impacted by the COVID-19 Pandemic. The program ended on May 31, 2021.

Assessment Area Concentration

As shown in the following table, CB&S originated a high percentage of home mortgage, small business, and small farm loans, by number and dollar volume, in its assessment areas.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2020	987	80.0	246	20.0	1,233	174,700	77.9	49,534	22.1	224,234
2021	827	80.4	202	19.6	1,029	137,166	77.1	40,687	22.9	177,853
2022	798	78.5	218	21.5	1,016	138,908	69.9	59,875	30.1	198,783
Subtotal	2,612	79.7	666	20.3	3,278	450,774	75.0	150,096	25.0	600,870
Small Business										
2020	1,195	85.6	201	14.4	1,396	90,282	78.1	25,320	21.9	115,602
2021	745	82.2	161	17.8	906	88,489	76.4	27,313	23.6	115,802
2022	365	77.8	104	22.2	469	59,554	68.7	27,143	31.3	86,697
Subtotal	2,305	83.2	466	16.8	2,771	238,325	74.9	79,776	25.1	318,101
Small Farm										
2020	137	79.2	36	20.8	173	8,733	74.8	2,949	25.2	11,682
2021	228	79.4	59	20.6	287	12,494	69.9	5,371	30.1	17,865
2022	97	77.0	29	23.0	126	6,228	66.6	3,129	33.4	9,357
Subtotal	462	78.8	124	21.2	586	27,455	71.8	11,449	28.2	38,904
Total	5,379	81.1	1,256	18.9	6,635	716,554	74.8	241,321	25.2	957,875
<i>Source: 2020, 2021, 2022 Bank HMDA and CRA Data. Due to rounding, totals may not equal 100.0%.</i>										

Geographic Distribution

CB&S’ geographic distribution of loans reflects good penetration throughout the assessment areas. Conclusions regarding the institution’s overall performance were consistent with the conclusions for each rated area. Examiners focused on the percentage, by number, of loans in low- and moderate-income census tracts when arriving at conclusions for this performance factor. Each rated area includes a more detailed discussion of the geographic distribution.

Borrower Profile

CB&S’ distribution of borrowers reflects good penetration among retail customers of different income levels and businesses of different sizes. Conclusions regarding the institution’s overall performance was consistent with the conclusions for each rated area. Examiners focused on the percentage by number of loans to low- and moderate- income individuals and to businesses with gross annual revenues of \$1 million or less when arriving at conclusions for this performance factor.

Innovative or Flexible Lending Practices

CB&S uses flexible lending practices in order to serve the assessment areas’ credit needs; however, the lending practices are not particularly innovative.

The bank offers small business loan products through the SBA, including loans originated under the SBA PPP. In addition, zero down payment loans are available for eligible rural and suburban homebuyers through the U.S. Department of Agriculture’s (USDAs) Rural Development Guaranteed Housing Loan Program.

Through the bank’s secondary market lending channel, two other government sponsored and/or guaranteed loans programs that assist with affordable housing needs are available. These programs are offered through the FHA and VA, which target low- and moderate-income individuals. During the evaluation period, the bank originated 694 government-sponsored and/or -guaranteed loans totaling approximately \$53.8 million. The following table reflects the number and dollar volume of loans originated under each program by year.

Innovative or Flexible Lending Programs								
Type of Program	2020		2021		2022		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
SBA PPP	0	0	441	8,694	0	0	441	8,694
FHA	52	8,249	31	5,916	20	4,190	103	18,355
VA	12	3,917	29	6,982	10	3,003	51	13,902
USDA	40	4,215	31	4,167	28	4,476	99	12,858
Totals	104	16,381	532	25,759	58	11,669	694	53,809
<i>Source: Bank Records</i>								

CB&S continues to offer two additional loan programs designed to help bank customers. The “*Express Loan Program*,” a formal small dollar loan program, continues to provide loans between \$500 and \$2,500. The program is an alternative to high-cost credit, has flexible underwriting requirements, and provides financial education to customers. The bank extended 1,882 small dollar loans totaling \$3.1 million since the previous evaluation. The second program offered is “*The Relief Program*,” which offers customers with overdrawn checking account balances an option to convert the overdrawn balance to a 12-month installment loan with low monthly payments. Customers who participate in this program also receive financial education. The bank extended this program to 514 customers since the previous evaluation. Generally, offerings of both innovative loan programs were equally provided in each State, with 841 loans extended in Tennessee, 859 in Mississippi, and 696 in Alabama. Since these programs are available bank-wide, this section will not be further discussed at the State or assessment area level.

Community Development Loans

CB&S has made a relatively high level of community development loans throughout the assessment areas. During the evaluation period, the bank extended 39 community development loans totaling \$63.6 million. This activity accounts for 5.4 percent of total loans and 2.6 percent of total assets, as of September 30, 2023. The volume of the bank’s community development loans increased since the last evaluation and was

commensurate with similarly situated lenders. The State of Alabama comprised a majority of the community development loans and received the most consideration. The following tables reflect the bank’s lending by rated area, purpose, and activity year. Examples of the bank’s community development activities are included under the individual assessment area Community Development Loans sections.

Community Development Lending by Rated Area										
Rated Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Alabama	20	14,213	3	15,100	0	0	4	11,449	27	40,762
Mississippi	5	338	0	0	0	0	2	2,839	7	3,177
Tennessee	0	0	0	0	0	0	5	19,711	5	19,711
Total	25	14,551	3	15,100	0	0	11	33,999	39	63,650
<i>Source: Bank Records</i>										

Community Development Lending by Year										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2020	3	522	0	0	0	0	1	2,719	4	3,241
2021	7	1,000	0	0	0	0	7	28,462	14	29,462
2022	9	12,830	3	15,100	0	0	2	818	14	28,748
YTD 2023	6	199	0	0	0	0	1	2,000	7	2,199
Total	25	14,551	3	15,100	0	0	11	33,999	39	63,650
<i>Source: Bank Records</i>										

INVESTMENT TEST

The overall Investment Test rating is High Satisfactory. The institution has a significant level of qualified community development investments and grants, occasionally in a leadership position. The institution exhibits good responsiveness to the credit and community development needs of its assessment areas. The institution occasionally uses complex investments to support community development initiatives. Community development objectives were met through the combination of housing bonds, securities backed by single-family and multi-family mortgages, equity funds, and grants and donations. The bank’s overall performance is generally consistent with the conclusions for each rated area.

Investment and Grant Activity

CB&S has a significant level of qualified community development investments and grants. The bank primarily fulfills its community development objectives through the combination of equity securities, mortgage-backed securities, and municipal bonds. During the evaluation period, CB&S made or retained qualified investments, totaling approximately \$61.1 million. Total qualified investments include approximately \$61.0 million in investments and \$66,000 in grants and donations. This performance is higher than the qualified investments from the previous evaluation of \$39.3 million. As of September 30, 2023, CB&S’ qualified investments, grants, and donations equated to 6.8 percent of total investments and

2.5 percent of total assets. The following tables depict the number and dollar volume of investments, grants, and donations by year, purpose, and rated area. Refer to the discussions of community development investment within each state and assessment area for additional details and examples of the bank's investments.

Qualified Investments by Rated Area										
Rated Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Alabama	4	5,250	71	34	0	0	41	30,786	116	36,070
Mississippi	4	4,035	38	63	0	0	0	0	42	4,098
Tennessee	14	19,449	64	19	1	1,500	0	0	79	20,968
Total	22	28,734	173	116	1	1,500	41	30,786	237	61,136
<i>Source: Bank Records</i>										

Qualified Investment by Years										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	9	4,632	0	0	1	1,500	30	19,235	40	25,367
2020	7	12,611	0	0	0	0	3	2,960	10	15,571
2021	2	7,758	0	0	0	0	8	8,591	10	16,349
2022	0	0	0	0	0	0	0	0	0	0
YTD 2023	4	3,733	1	50	0	0	0	0	5	3,783
Subtotal	22	28,734	1	50	1	1,500	41	30,786	65	61,070
Qualified Grants & Donations	0	0	172	66	0	0	0	0	172	66
Total	22	28,734	173	116	1	1,500	41	30,786	237	61,136
<i>Source: Bank Records</i>										

Responsiveness to Credit and Community Development Needs

CB&S Bank exhibits good responsiveness to the credit and community economic development needs throughout the assessment areas. Management took action to ensure new investments and donations were concentrated in the assessment areas. Qualified investments made during the evaluation period are primarily comprised of mortgage-backed securities designed to provide funding and liquidity to the affordable housing markets and revitalize and stabilize low- and moderate-income areas. In addition, the bank extended donations to organizations during this evaluation period totaling \$66,000. The donations are responsive to charitable and community-based organizations serving low- and moderate-income individuals. The donations were given to organizations that provide community services.

Community Development Initiatives

CB&S occasionally uses complex investments to support community development initiatives, given the size of the institution and opportunities available, primarily in the State of Alabama. Qualified community development investments made during the evaluation period include qualified mortgage-backed securities and municipal bonds.

SERVICE TEST

The overall Service Test rating is High Satisfactory. CB&S Bank’s delivery systems are accessible to essentially all portions of the institution’s assessment areas. The bank’s opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly to low- and moderate-income geographies or individuals. Services and business hours do not vary in a way that inconveniences certain portions of the assessment areas, particularly low- and moderate-income geographies or individuals. Additionally, CB&S Bank provided a relatively high level of community development services in its assessment areas. Conclusions regarding overall performance are consistent with conclusions for each rated area.

Accessibility of Delivery Systems

Delivery systems are accessible to essentially all portions of the institution’s assessment areas. As of the evaluation date, CB&S operates 53 full-service branches and one limited-service branch within Alabama, Mississippi, and Tennessee, as shown in the following table. The bank operates automated teller machines (ATMs) at 52 of these branches and three stand-alone ATMs. Also, the bank has installed interactive teller machines (ITMs) at 52 branches. Additionally, the bank operates one mortgage loan production office. Of the 54 branches, 48.2 percent are located in Alabama. Therefore, examiners placed more weight on the institution’s performance in Alabama.

Branch and ATM Distribution by Geography Income Level								
Assessment Area: ALL AAs								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	72	9.0	205,043	6.7	1	1.9	3	5.5
Moderate	161	20.1	529,094	17.4	11	20.4	10	18.2
Middle	331	41.3	1,338,953	43.9	30	55.5	29	52.7
Upper	219	27.4	942,517	30.9	12	22.2	13	23.6
NA	18	2.2	34,875	1.1	0	0.0	0	0.0
Totals	801	100.0	3,050,482	100.0	54	100.0	55	100.0
<i>Source: 2020 U.S. Census & Bank Data Due to rounding, totals may not equal 100.0%</i>								

The overall branch distribution demonstrates that the bank's service delivery systems are accessible to low- and moderate-income areas and low- and moderate-income individuals. Refer to the Description of Assessment Area sections for additional details on branch distributions.

In addition to branches and ATMs, other alternative retail banking services include online banking with e-statement capabilities, mobile banking, mobile deposit, and toll-free telephone banking. These services are offered 24 hours a day, allowing customers to check account balances, transfer money, make loan payments, and pay bills at no cost. In addition, the bank offers the ability to open deposit accounts and apply for mortgage loans by telephone or online. This extends the reach of the bank's services to all customers who have access to a telephone. Overall, these alternative delivery systems enhance the accessibility to the bank's financial services.

Changes in Branch Locations

To the extent changes have been made, the institution's record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. During the evaluation period, the bank opened two branches/ATMs, including one in a middle-income census tract and one in an upper-income census tract. The branch in the upper-income census tract was originally located in a moderate-income census tract; however, with the recent census data update, the census tract demographic changed to upper-income. The bank also closed three branches during the evaluation period, including one in a middle-income census tract and two in upper-income census tracts. The changes in branch locations are further discussed within the rated areas and assessment areas where changes occurred.

Reasonableness of Business Hours and Services

Services and business hours do not vary in a way that inconveniences certain portions of the assessment areas, particularly low- and moderate-income geographies or individuals. CB&S offers a full range of consumer and commercial loan and deposit products through its branch network that are designed to meet the banking needs of the local communities. To illustrate, the bank's services include government loan-sponsored programs for home mortgages and small businesses, a small dollar loan program, affordable deposit products for small businesses, and several low-cost consumer deposit products. Business hours are reasonable, with several branches having extended drive-thru hours starting at 8:00 a.m. and ending as late as 7:00 p.m., Monday through Friday, and 7:00 a.m. to 12:00 p.m. on Saturday for select lobby or drive-thru locations. Each branch offers the same products and services. Therefore, this performance factor is not further discussed.

Community Development Services

CB&S provided a relatively high level of community development services within its assessment areas during the evaluation period. Bank employees provided financial assistance and advice to various community development organizations. These services include bank personnel delivering financial services or technical assistance to various organizations that benefit each of the bank's assessment areas. The type and level of assistance provided varies with each employee and organization, but generally is ongoing over the years, as many hold positions on the boards of these organizations. Employees use their financial and business experience to help the organizations achieve their community development goals.

The various organizations' missions include affordable housing, economic development, small business development, financial education, and services targeted to at-risk youths.

Examiners noted that bank employees provided 85 qualified community development services during the evaluation. The tables below detail community development service activities by year, purpose, and state. Refer to the discussions of community development services within each state and assessment area analysis for additional details and examples.

Community Development Services by Rated Area					
Rated Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
Alabama	0	32	15	0	47
Mississippi	3	20	0	0	23
Tennessee	0	14	1	0	15
Total	3	66	16	0	85
<i>Source: Bank Records</i>					

Community Development Services by Year					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2020	0	21	4	0	25
2021	1	17	3	0	21
2022	1	12	3	0	16
YTD 2023	1	16	6	0	23
Total	3	66	16	0	85
<i>Source: Bank Records</i>					

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The bank's compliance with the laws relating to discrimination and other illegal credit practices was reviewed, including the Fair Housing Act and the Equal Credit Opportunity Act. Examiners did not identify any discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.

ALABAMA

CRA RATING FOR ALABAMA: SATISFACTORY

The Lending Test is rated: High Satisfactory

The Investment Test is rated: High Satisfactory

The Service Test is rated: High Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN ALABAMA

The evaluation of the bank's performance in Alabama considered the operations of CB&S in the Alabama NMSA; Florence-Muscle Shoals, AL MSA; Decatur, AL MSA; Huntsville; Montgomery; Birmingham; and Tuscaloosa assessment areas. Since the last CRA evaluation, the bank entered into the Tuscaloosa, Alabama MSA. The bank operates 26 (48.2 percent) of its branches in Alabama. Additionally, Alabama accounts for 71.1 percent of rated area loans and 55.9 percent of rated area deposits. The following table provides descriptions of the seven assessment areas in Alabama.

Description of Assessment Areas			
Assessment Area	Counties in Assessment Area	# of CTs	# of Branches
Alabama NMSA	Franklin and Tallapoosa	23	7
Florence-Muscle Shoals, AL MSA	Colbert and Lauderdale	41	5
Decatur, AL MSA	Lawrence and Morgan	42	4
Huntsville	Madison	95	4
Montgomery	Elmore and Montgomery	91	3
Birmingham	Jefferson and Shelby	244	2
Tuscaloosa	Tuscaloosa	59	1
Total		595	26

Source: Bank Records

SCOPE OF EVALUATION – ALABAMA

A full-scope review was conducted for the Alabama NMSA and Florence-Muscle Shoals, AL MSA, as these areas contain a significant portion of the bank's branches, deposits, and lending in Alabama. Additionally, using examination-scoping procedures, the Birmingham assessment area was also chosen for a full-scope review from a list of assessment areas not previously receiving a full-scope review. A limited-scope review was conducted for the remaining assessment areas noted in the above table. The products and time periods noted in the Scope of Evaluation section for the overall institution apply to the Alabama analysis.

CONCLUSIONS ON PERFORMANCE CRITERIA IN ALABAMA

LENDING TEST

The Lending Test performance in Alabama is High Satisfactory. The geographic distribution reflects good penetration throughout the assessment areas and the borrower profile reflects good distribution among borrowers of different income levels and businesses of different sizes. In addition, the bank uses flexible lending practices and makes a relatively high level of community development loans.

Lending Activity

CB&S' lending activity reflects good responsiveness to the Alabama assessment areas' credit needs.

Geographic Distribution

CB&S' lending activity reflects good penetration throughout the assessment areas. The bank's performance was generally consistent across assessment areas.

Borrower Profile

The distribution of borrowers reflects good penetration among individuals of different income levels and businesses of different sizes. The bank's performance was excellent in the Alabama NMSA assessment area and generally consistent across all other assessment areas.

Community Development Loans

CB&S originated a relatively high level of community development loans in Alabama. This conclusion is primarily based on the community development loans made in the Huntsville and Tuscaloosa assessment areas. The bank originated 27 community development loans totaling \$40.8 million throughout the various assessment areas. This represents 69.2 percent, by number, and 64.2 percent by dollar volume of total bank-wide community development loans. Community development loans that benefitted the state-wide area include 10 participation loans totaling \$300,000 that were originated through the Alabama Multi-Family Loan consortium for affordable housing. Performance was generally consistent throughout the assessment areas, including in limited-scope areas. Refer to the individual assessment areas for examples of community development loans directly benefitting the assessment area.

INVESTMENT TEST

The Investment Test rating for Alabama is High Satisfactory. The bank has made a significant level of qualified community development investments and grants, which were responsive in meeting Alabama's credit and community economic development needs. The institution occasionally uses innovative and complex investments to support community development initiatives. Performance was generally consistent across assessment areas; however, performance in the Huntsville and Tuscaloosa assessment areas was poor.

Investment and Grant Activity

CB&S has made a significant level of qualified community development investments and grants, often in a leadership position. The bank purchased or retained 116 qualified investments, including donations and grants, totaling approximately \$36.1 million during the evaluation period, which represents 59.1 percent of total qualified investments. Current-period qualified investments that directly benefit Alabama consist of \$13.8 million in municipal bonds and \$32,000 in qualified grants and donations. The current balance of prior period investments benefiting Alabama is \$22.1 million. Additionally, statewide investments include an investment in the Alabama Multi-Family Loan Consortium totaling \$1.3 million. Refer to the individual assessment areas for examples of investments directly benefitting the assessment area.

SERVICE TEST

The Service Test rating for Alabama is High Satisfactory. CB&S' delivery systems are accessible to essentially all portions of the assessment areas. The opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate- income geographies and to low- and moderate-income individuals. In addition, services and business hours do not vary in a way that inconveniences certain portions of the assessment areas, and the bank provided a relatively high level of community development services.

Accessibility of Delivery Systems

Overall, bank delivery systems are accessible to essentially all portions of the assessment areas. As of the evaluation date, the bank operates 26 branches in Alabama, which represents 48.2 percent of CB&S' total branches. While the bank does not operate any branches in low-income census tracts, it is noted that only 7.8 percent of the population resides in these tracts. The bank's branch distribution in moderate-income census tracts is lower than the percent of moderate-income census tracts and the percent of the population within these tracts in the Alabama assessment areas. However, six branches are located in middle-income census tracts that are designated as distressed or underserved. This elevates the reasonableness of accessibility to low- and moderate-income individuals. The following table provides additional details regarding the Alabama assessment areas' demographics and branches.

Alabama Branch Distribution by Geography Income Level						
Tract Income Level	Census Tracts		Population		Branches	
	#	%	#	%	#	%
Low	62	10.4	172,612	7.8	0	0
Moderate	124	20.8	403,561	18.3	2	7.7
Middle	221	37.1	869,966	39.4	17	65.4
Upper	173	29.1	734,773	33.2	7	26.9
NA	15	2.6	29,662	1.3	0	0
Total	595	100.0	2,210,574	100.0	26	100.0

Source: 2020 Census Data & Bank Data.

Changes in Branch Locations

To the extent changes have been made, the bank's opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies or to low- and moderate-income individuals. During the evaluation period, the bank opened two new full-service brick and mortar branches, one in Tuscaloosa, Alabama and one in Mountain Brook, Alabama. The Tuscaloosa market is new and added a new assessment area to the bank's service area. When the bank opened the Mountain Brook branch, the bank simultaneously closed a Birmingham branch in an upper-income census tract.

Community Development Services

CB&S provided a relatively high level of community development services in Alabama. Bank management, officers and employees have been involved in numerous community development activities and organizations, occasionally in leadership positions. Bank staff provided 47 qualifying services throughout seven Alabama assessment areas. This performance represented 55.3 percent of the bank-wide community services, by number.

The directors, officers, and employees of the bank in Alabama are involved in community development organizations that provide affordable housing, economic development, revitalization of low- and moderate-income areas, and community services for low- and moderate-income individuals and areas. For example, bank employees are Board members and serve on finance, fund raising, or administrative committees. Employees are actively involved in the school system and conduct basic banking workshops for school age children from low- and moderate-income families throughout the year.

One service was provided to a statewide organization for two years. An employee served on the Board and Investment Committee of the organization, which primarily serves small business owners. The organization is designed to foster economic development and increase employment in the State of Alabama. By collaborating with both the Small Business Administration and private financial institutions, the organization is able to offer financial resources necessary for businesses

seeking to start or expand. Refer to the Community Development Services section in each assessment area for specific examples of services directly benefitting the assessment area.

ALABAMA NMSA ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE ALABAMA NMSA ASSESSMENT AREA

The Alabama NMSA Assessment Area consists of Franklin and Tallapoosa Counties, in their entirety. The bank operates seven branches in this assessment area, representing 26.9 percent of statewide branches. This assessment area accounts for 9.7 percent of rated area loans and 19.7 percent of rated area deposits.

Economic and Demographic Data

The assessment area includes all 11 census tracts in Franklin County and all 12 census tracts in Tallapoosa County. Based on the 2020 census data, the assessment area’s census tracts reflect the following income designations: one low-income census tract, two moderate-income census tracts, 15 middle-income census tracts, and five upper-income census tracts.

The assessment area demographics have changed since the last evaluation when the area consisted of 19 census tracts, including two moderate-income, 13 middle-income, and four upper-income census tracts. The assessment area did not include any low-income census tracts. The following table illustrates select demographic characteristics of the Alabama NMSA assessment area.

Demographic Information of the Assessment Area						
Assessment Area: Alabama NMSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	23	4.3	8.7	65.2	21.7	0.0
Population by Geography	73,424	1.9	6.7	67.9	23.5	0.0
Housing Units by Geography	36,647	2.0	7.1	61.3	29.6	0.0
Owner-Occupied Units by Geography	20,076	2.1	6.8	64.4	26.7	0.0
Occupied Rental Units by Geography	7,300	2.2	8.1	71.4	18.2	0.0
Vacant Units by Geography	9,271	1.7	6.8	46.6	45.0	0.0
Businesses by Geography	5,013	1.5	5.0	59.6	33.9	0.0
Farms by Geography	222	1.8	6.3	70.3	21.6	0.0
Family Distribution by Income Level	18,608	23.2	16.0	21.3	39.6	0.0
Household Distribution by Income Level	27,376	24.0	15.1	15.8	45.1	0.0
Median Family Income Non-MSAs - AL		\$55,960	Median Housing Value			\$120,127
			Median Gross Rent			\$612
			Families Below Poverty Level			14.5%
<i>Source: 2020 U.S. Census and 2022 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The analysis of small business loans under the borrower profile criterion compares the distribution of businesses by gross annual revenue (GAR) level. According to 2022 D&B data, there were 5,013 businesses in the assessment area. Of these businesses, 81.3 percent had GARs of \$1.0 million or less, 4.5 percent had GARs of more than \$1.0 million, and 14.2 percent had unknown revenues. Gross annual revenues for the farms are as follows: 96.9 percent have incomes of \$1 million or less, 1.2 percent have incomes of more than \$1 million, and 1.9 percent did not report revenue information.

In 2020, the FFIEC designated all eight of the middle-income census tracts in Franklin County as distressed middle-income census tracts due to poverty. However, this designation was removed for all of the middle-income census tracts in 2021 and 2022.

Examiners use the FFIEC-updated median family income (MFI) figures to analyze home mortgage lending under the borrower profile criterion. The following table reflects the low-, moderate-, middle-, and upper-income MFI categories in the assessment area. As shown, during this timeframe, the maximum MFI for low-income families ranged from \$24,250 to \$31,600, which is low considering the median housing value of \$120,127. Further, 14.5 percent of families have incomes below the federal poverty level. These families will likely face difficulty in qualifying for conventional home mortgage loans.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Alabama NMSA Median Family Income (99999)				
2020 (\$48,500)	<\$24,250	\$24,250 to <\$38,800	\$38,800 to <\$58,200	≥\$58,200
2021 (\$53,400)	<\$26,700	\$26,700 to <\$42,720	\$42,720 to <\$64,080	≥\$64,080
2022 (\$63,200)	<\$31,600	\$31,600 to <\$50,560	\$50,560 to <\$75,840	≥\$75,840
<i>Source: FFIEC</i>				

According to data obtained from the U.S. Bureau of Labor Statistics, the unemployment rate in Franklin and Tallapoosa Counties, State of Alabama, and the Nation steadily declined during the evaluation period, as the economy continued to recover from the COVID-19 Pandemic. The unemployment rates for the assessment area were mostly inline with or below the state and national averages.

Unemployment Rates			
Area	2020	2021	2022
	%	%	%
Franklin County	4.9	2.5	2.3
Tallapoosa County	7.5	4.0	2.9
Alabama	6.4	3.4	2.2
National Average	8.1	5.3	3.6
<i>Source: Bureau of Labor Statistics (year-end)</i>			

Service industries represent the largest sector of businesses in the assessment area at 31.7 percent; followed by non-classifiable establishments at 20.2 percent; and retail at 13.2 percent. Major employers in Franklin County include Tiffin Motorhomes, Inc. (1,215), Pilgrim’s (1,000), Franklin County Board of Education (454), Sunshine Mills (450), and Innovative Hearth Products (425). Major employers in Tallapoosa County include Russell Corporation (3,000), Prime Healthcare (685), and Russell Medical Center (606).

Competition

As of June 30, 2023, 12 FDIC-insured institutions operated 27 branches within this assessment area. Of these institutions, CB&S ranked first in total deposits, with 26.3 percent of the market share. The two institutions to follow in the area by deposit market share are Valley National Bank and River Bank & Trust.

A high level of competition exists for home mortgage loans among several banks, credit unions, and non-depository mortgage lenders. In 2021, 208 lenders reported 1,678 residential mortgage loans originated or purchased within the assessment area. CB&S ranked second out of this group of

lenders, with a market share of 8.6 percent. River Bank and Trust ranked first, with a market share of 9.1 percent, and United Wholesale Mortgage ranked third, with a market share of 7.6 percent.

A high level of competition also exists for small business loans among banks, credit unions, and other financial institutions. The 2022 peer small business data was not available for this evaluation; therefore, 2021 data provided a standard for comparison. A total of 69 lenders reported 1,229 small business loans within the assessment area. CB&S ranked third, with a total market share of 10.7 percent. River Bank & Trust and American Express National Bank led with a combined 30.2 percent market share.

Credit and Community Development Needs and Opportunities

Considering information based on demographic information and economic data, examiners identified certain credit needs and opportunities within the assessment area. The high number of low- and moderate-income families, at 23.2 percent and 16.0 percent, respectively, indicates a continuing need for affordable housing. Additionally, the high median age of housing stock in low- and moderate-income census tracts, at 42 and 37 years, respectively, indicates a significant need for home improvement loans. Further, a need for loans supporting small businesses is evident, as small businesses comprise a significant majority of the assessment area, at 81.3 percent of the assessment area's businesses with GARs of \$1 million.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE ALABAMA NMSA ASSESSMENT AREA

LENDING TEST

The Lending Test performance in this assessment area is High Satisfactory. The geographic distribution reflects good penetration throughout the assessment area, and the borrower profile reflects excellent distribution among borrowers of different income levels and businesses of different sizes. In addition, the bank uses flexible lending practices and makes an adequate level of community development loans in this area.

Lending Activity

CB&S' lending activity reflects good responsiveness to the assessment area's credit needs.

Geographic Distribution

Overall, CB&S demonstrates good penetration throughout the assessment area. This conclusion is primarily based on the bank's home mortgage and small business lending. As previously noted, the updated 2020 census data changed the demographics of the assessment area to include one low-income census tract. Therefore, 2022 home mortgage lending was compared to the updated demographic data; whereas 2021 small business lending was compared to the 2015 ACS data

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects good penetration throughout the assessment area. Performance in low-income census tracts was significantly higher than demographic and aggregate lending data. Additionally, lending in moderate-income census tracts was higher than aggregate lending data but lower than demographic data.

Small Business Loans

The geographic distribution of small business loans reflects adequate penetration throughout the assessment area. Performance in moderate-income census tracts was lower than demographic and aggregate lending data in 2021. However, it is noted that the bank originated two small business loans or 4.6% in moderate-income census tracts in 2022.

Borrower Profile

CB&S demonstrates excellent penetration among borrowers of different income levels and businesses of different sizes. This conclusion is primarily supported by excellent performance in home mortgage and small business lending.

Home Mortgage

The bank's home mortgage lending demonstrates excellent performance among borrowers of different income levels. In 2022, the bank's lending to low-income borrowers was lower than the percentage of families in the assessment area but significantly exceeded aggregate performance. Additionally, the bank's lending to moderate-income borrowers exceeded both the percentage of families in the area and aggregate lending. It is noted that 14.5 percent of the families residing in the assessment area have incomes below the poverty level.

Small Business

The bank's small business lending demonstrates excellent performance among business of different sizes. The bank's performance was below the percent of businesses with GARs of less than or equal to \$1 million. However, the bank's lending was significantly higher than the aggregate performance in 2021. This demonstrates the bank's willingness to meet the credit needs of the assessment area. Additionally, 38.8 percent of the bank's small business loans did not include revenue information. The majority of these loans were PPP loans that did not require the business to report revenue data.

Community Development Loans

CB&S originated an adequate level of community development loans in the Alabama NMSA assessment area. The bank originated two community development loans totaling \$840,276 during the evaluation period. This amount represents 7.4 percent, by number, and 2.0 percent, by dollar volume, of total community development loans in Alabama. Regarding the community development purpose of these loans, one participation loan revitalized and stabilized distressed and/or underserved middle-income census tracts and the second was originated in 2021 to purchase multi-family residential properties that provide affordable housing to low- and moderate-income families.

INVESTMENT TEST

CB&S made a significant level of qualified investments within the Alabama NMSA assessment area.

Investment and Grant Activity

CB&S made a significant level of qualified investments in the Alabama NMSA assessment area, totaling approximately \$10.1 million. Qualified investments include 13 investments totaling approximately \$10.1 million and 38 donations totaling \$6,245. This amount represents 44.0 percent, by number, and 28.0 percent, by dollar volume, of total community development investments and donations in Alabama. Below are examples of qualified investments in this assessment area either purchased during the current evaluation period or carried forward from the previous evaluation.

- In 2020, the bank purchased a bond totaling approximately \$1.4 million for utility improvements in Franklin County, Alabama, a distressed and underserved area.
- The bank has a prior period investment of four revenue bonds totaling \$1.4 million that were used for capital improvements to the school facilities in Tallapoosa County. The majority of the schools are Title I schools whose students are from predominantly low- or moderate-income families.
- The bank continues to partner with the Senior Housing Crime Prevention Foundation, with a prior-period investment of \$1.1 million. This foundation provides affordable housing assistance to designated nursing homes in Franklin County.

SERVICE TEST

CB&S' performance within the Alabama NMSA assessment area is High Satisfactory.

Accessibility of Delivery Systems

Delivery systems are accessible to essentially all portions of the Alabama NMSA assessment area. The bank operates seven branches in the assessment area, representing 26.9 percent of the bank's branches in Alabama. Of the seven branches, six are located in middle-income census tracts in Franklin County. All middle-income census tracts in Franklin County were classified as distressed in 2020. In addition to the branch structure, the bank offers a variety of alternative delivery systems to all customers. Refer to the overall bank analysis for a description of the alternative delivery systems.

Community Development Services

The bank provided a relatively high level of community development services in the Alabama NMSA assessment area. Bank records show that employees participated in 22 qualifying community development services with various organizations. This performance represents 46.8 percent of all community development service activities in the state, which is higher than the assessment area's share of branches in Alabama. Qualitatively, the services were responsive to the assessment area's needs. The following are examples of community development services provided in this assessment area.

- A bank employee continues to serve as Vice-Chairman on the Board of an economic development authority, whose primary mission is to create jobs and provide technical assistance to small businesses in Franklin County.
- Several employees participate in the bank's school banking project at two Title I schools in Franklin County. The project provides financial literacy education and limited banking services to students, teachers, and administrators at the schools.
- A bank employee serves on the Board of a business development organization that supports economic development in Franklin County.

FLORENCE-MUSCLE SHOALS, AL MSA ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE FLORENCE-MUSCLE SHOALS, AL MSA ASSESSMENT AREA

The Florence-Muscle Shoals, AL MSA Assessment Area consists of Colbert and Lauderdale counties. The bank operates five branches in the assessment area, representing 19.2 percent of statewide branches. This assessment area accounts for 12.8 percent of rated area loans and 11.8 percent of rated area deposits.

Economic and Demographic Data

According to the 2020 U.S. Census data, this assessment area includes 41 census tracts, which consist of 3 low-, 8 moderate-, 21 middle-, and 8 upper-income census tracts. There is one census tract with no income designation. The following table details demographic characteristics of the assessment area based on the 2020 U.S. Census data and 2022 D&B data.

Demographic Information of the Assessment Area						
Assessment Area: Florence-Muscle Shoals, AL MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	41	7.3	19.5	51.2	19.5	2.4
Population by Geography	150,791	4.1	18.6	56.9	19.6	0.8
Housing Units by Geography	71,999	3.9	20.8	54.9	19.0	1.4
Owner-Occupied Units by Geography	41,818	2.0	14.7	59.2	23.7	0.3
Occupied Rental Units by Geography	18,492	7.5	32.2	46.1	11.7	2.6
Vacant Units by Geography	11,689	4.6	24.8	53.5	13.6	3.5
Businesses by Geography	11,767	10.8	17.2	54.7	16.8	0.5
Farms by Geography	401	4.7	12.7	61.6	20.9	0.0
Family Distribution by Income Level	38,521	20.6	18.6	21.4	39.3	0.0
Household Distribution by Income Level	60,310	24.7	16.2	16.2	43.0	0.0
Median Family Income MSA - 22520 Florence-Muscle Shoals, AL MSA		\$65,316	Median Housing Value			\$140,562
			Median Gross Rent			\$666
			Families Below Poverty Level			9.9%
<i>Source: 2020 U.S. Census and 2022 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The analysis of small business loans under the borrower profile criterion compares the distribution of businesses by GAR level. According to 2022 D&B data, there were 11,767 businesses in the assessment area. Of these businesses, 82.0 percent had GARs of \$1.0 million or less, 5.1 percent had GARs of more than \$1.0 million, and 12.9 percent had unknown revenues.

Examiners used the FFIEC-updated MFI figures to analyze home mortgage lending under the Borrower Profile criterion. The following table reflects low-, moderate-, middle-, and upper-income categories in the assessment area.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Florence-Muscle Shoals, AL MSA Median Family Income (22520)				
2020 (\$64,200)	<\$32,100	\$32,100 to <\$51,360	\$51,360 to <\$77,040	≥\$77,040
2021 (\$64,500)	<\$32,250	\$32,250 to <\$51,600	\$51,600 to <\$77,400	≥\$77,400
2022 (\$68,200)	<\$34,100	\$34,100 to <\$54,560	\$54,560 to <\$81,840	≥\$81,840
<i>Source: FFIEC</i>				

Data obtained from the U.S. Bureau of Labor Statistics indicates significant changes in the unemployment rate during the evaluation period. As illustrated in the following table, the assessment area, State of Alabama, and national unemployment rates declined from 2020 to 2022, as the economy continued to recover from the COVID-19 Pandemic. The assessment area's unemployment rate was consistently higher or comparable to the state unemployment rate but lower than the national rate throughout the period.

Unemployment Rates			
Area	2020	2021	2022
	%	%	%
Florence-Muscle Shoals, AL MSA	6.5	3.4	2.8
Alabama	6.4	3.4	2.2
National Average	8.1	5.3	3.6
<i>Source: Bureau of Labor Statistics (year-end)</i>			

According to 2022 D&B data, the assessment area's largest industries include service industries at 31.4 percent, followed by non-classifiable establishments at 23.1 percent, and retail trade at 13.4 percent. However, 66.1 percent of the businesses within the assessment area operate with four or less employees, and 94.0 percent operate from a single location. Major employers within the Florence-Muscle Shoals, AL MSA include North American Lighting, Constellium, and the Walgreens Call Center.

Competition

As of June 30, 2023, 13 FDIC-insured institutions operated 47 offices within the assessment area. The top five banks, by deposit market share, were Bank Independent, First Metro Bank, First Southern Bank, Regions Bank, and CB&S, accounting for 78.9 percent of the deposit market share. CB&S ranked fifth in deposits, with a market share of 6.9 percent.

The assessment area is highly competitive for small business lending. The 2022 peer lending data was not available; therefore, 2021 peer data was used for comparison. In 2021, 74 lenders reported 2,757 small business loans. CB&S ranked sixth, with 3.1 percent of the market share. Bank Independent, American Express National Bank, Synchrony Bank, J.P.

Morgan, and Chase Bank USA, N.A. led the market, originating 64.5 percent of total loans.

The assessment area is highly competitive for home mortgage loans. The analysis of home mortgage loans under the Lending Test includes a comparison against aggregate data. The 2022 aggregate data (the most recently available) shows that 231 lenders reported 4,959 home mortgage loans in the assessment area. The top five home mortgage loan originators (by number of loans) were Bank Independent, Listerhill Credit Union, Regions Bank, Rocket Mortgage, and Trustmark National Bank. Collectively, these institutions account for 37.8 percent of the total market share, CB&S ranked 13th in home mortgage originations with a market share of 2.0 percent.

Credit and Community Development Needs and Opportunities

Considering information from bank management and demographic and economic data, examiners determined there are credit opportunities available. The continuous need for start-up business loans within the assessment area presents an opportunity for financial institutions to meet the credit needs of the community. The significant percentage of businesses with GARs of \$1.0 million or less, as well as the large number of businesses with four or fewer employees within the assessment area support this conclusion. Lastly, there is a need for home improvement loans since the median age of homes in the assessment area is 40 years.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE FLORENCE-MUSCLE SHOALS, AL MSA ASSESSMENT AREA

LENDING TEST

The Lending Test performance in this assessment area is High Satisfactory. The geographic distribution and borrower profile reflect good penetration throughout the assessment area and among borrowers of different income levels and businesses of different sizes. In addition, the bank uses flexible lending practices and makes an adequate level of community development loans in this area.

Lending Activity

CB&S' lending activity reflects good responsiveness to the assessment area's credit needs.

Geographic Distribution

CB&S' geographic distribution of loans reflects good penetration throughout the assessment area. This conclusion is primarily based on the bank's home mortgage and small business lending.

Home Mortgage

The geographic distribution of home mortgage loans reflects an excellent dispersion in the assessment area. By number and dollar amount, the bank's performance in moderate-income census tracts significantly exceeded both aggregate and demographic data in 2022. The bank did not originate any loans in the low-income census tracts; however, it is noted there are limited lending opportunities in these tracts, as only 2.0 percent of the owner-occupied housing units are located in these census tracts.

Small Business

The geographic distribution of small business loans reflects an adequate distribution throughout the assessment area. The bank's lending in moderate-income census tracts exceed demographic and aggregate data. While the bank's performance in low-income census tracts trailed demographics and aggregate performance, it is noted that the bank faces a high level of competition in this assessment area.

Borrower Profile

CB&S demonstrates good penetration among borrowers of different income levels and businesses of different sizes. This conclusion is primarily supported by adequate performance in home mortgage lending and good performance in small business lending.

Home Mortgage Loans

Lending to borrowers of different income levels reflects adequate penetration. Lending to low-income borrowers was slightly below aggregate lending and significantly below demographic data. Lending performance to moderate-income borrowers was lower than demographics and aggregate lending. The bank's performance is considered reasonable when you take into account that 48.0 percent of the low-income families have incomes below the poverty level. Additionally, the bank receives a high level of competition for home mortgage loans in this assessment area.

Small Business Loans

The distribution of borrowers reflects good penetration among businesses of different sizes. Lending to businesses with GARs of \$1 million or less was lower than demographic data but higher than aggregate lending. It is noted that 23.3 percent of the bank's loans did not include revenue information.

Community Development Loans

CB&S originated an adequate level of community development loans in the Florence-Muscle Shoals, AL MSA Assessment Area. This conclusion is primarily supported by the dollar volume of community development loans. The bank originated four community development loans totaling \$2.3 million during the evaluation period. This amount represents 14.8 percent, by number, and 5.7 percent, by dollar volume, of total community development loans in Alabama. Below are notable examples of the bank's community development loans within this assessment area:

- In 2021, the bank refinanced a \$300,000 loan for an affordable housing project. The units provide affordable housing for low- and moderate-income individuals and is located in a moderate-income census tract.
- In 2022, the bank had two participations through the Alabama Multifamily Loan Consortium. The Alabama Multifamily Loan Consortium is a nonprofit organization based in Montgomery, Alabama that provides permanent mortgages for multifamily housing statewide. Most of its projects are new construction that leverages low-income housing tax credits. Both properties were in the Florence-Muscle Shoals, AL MSA.

INVESTMENT TEST

CB&S made a significant level of qualified investments within the Florence-Muscle Shoals, AL MSA assessment area.

Investment and Grant Activity

CB&S made a significant level of qualified investments in the Florence-Muscle Shoals, AL MSA assessment area, totaling \$17.1 million. Qualified investments include 26 investments totaling approximately \$17.1 million and 10 donations totaling \$2,750. This amount represents 31.0 percent by number and 47.3 percent by dollar volume of total community development investments and donations in Alabama. Below are examples of qualified investments in this assessment area.

- The bank still holds five purchased revenue bonds totaling \$2.8 million for the purpose of capital improvements to Title I schools in Colbert County.
- In 2021, the bank purchased three revenue bonds totaling \$5.8 million that were used to acquire, construct, and equip a new building on the University of North Alabama campus. This university is located in a low-income census tract.

SERVICE TEST

CB&S' performance within this assessment area is High Satisfactory.

Accessibility of Delivery Systems

Delivery systems are accessible to essentially all portions of the Florence-Muscle Shoals, AL MSA assessment area. The bank operates five branches in the assessment area, representing 19.2 percent of the bank's branches in Alabama. One branch is located in a moderate-income census tract. Another branch is located in a middle-income census tract adjacent to one of the moderate-income census tracts. In addition to the branch structure, the bank offers a variety of alternative delivery systems to all customers. Refer to the overall bank analysis for a description of the alternative delivery systems.

Community Development Services

The bank provided a relatively high level of community development services in the Florence-Muscle Shoals, AL MSA Assessment Area. Bank records show that employees participated in ten qualifying community development services with two organizations. This performance represents 21.3 percent of all community development service activities in the state. The following are examples of community development services provided in this assessment area.

- A bank employee provided financial literacy education to students from Title I schools in Colbert County.
- A bank employee provided financial expertise to an affordable housing program in Colbert County

BIRMINGHAM ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE BIRMINGHAM ASSESSMENT AREA

The Birmingham assessment area consists of Jefferson and Shelby Counties. Jefferson and Shelby Counties are part of the Birmingham-Hoover, AL MSA. The bank operates two branches in this assessment area, representing 7.7 percent of statewide branches. This assessment area accounts for 16.4 percent of rated area loans and 1.6 percent of rated area deposits.

Economic and Demographic Data

According to the 2020 U.S. Census data, this assessment area includes 244 census tracts, which consist of 26 low-, 58 moderate-, 76 middle-, and 77 upper-income census tracts. There are seven census tracts with no income designations. The following table details demographic characteristics of the assessment area based on the 2020 U.S. Census data and the 2022 D&B data.

Demographic Information of the Assessment Area						
Assessment Area: Birmingham						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	244	10.7	23.8	31.1	31.6	2.9
Population by Geography	897,745	7.3	20.0	32.8	38.4	1.5
Housing Units by Geography	396,915	9.6	23.2	31.2	34.4	1.4
Owner-Occupied Units by Geography	231,755	4.8	18.3	34.0	42.1	0.8
Occupied Rental Units by Geography	112,802	15.7	29.6	28.2	23.9	2.5
Vacant Units by Geography	52,358	18.0	31.2	25.6	23.2	1.9
Businesses by Geography	105,937	8.3	15.3	27.9	46.8	1.6
Farms by Geography	2,011	4.6	13.5	35.9	45.4	0.7
Family Distribution by Income Level	220,596	21.4	16.4	18.3	43.9	0.0
Household Distribution by Income Level	344,557	24.7	15.3	16.8	43.1	0.0
Median Family Income MSA - 13820 Birmingham-Hoover, AL MSA		\$75,287	Median Housing Value			\$196,662
			Median Gross Rent			\$947
			Families Below Poverty Level			9.4%
<i>Source: 2020 U.S. Census and 2022 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The analysis of small business loans under the borrower profile criterion compares the distribution of businesses by GAR level. According to 2022 D&B data, there were 105,937 businesses in the assessment area. Of these businesses, 83.3 percent had GARs of \$1.0 million or less, 5.7 percent had GARs of more than \$1.0 million, and 11.0 percent had unknown revenues.

The FFIEC-updated MFI levels for the Birmingham-Hoover, AL MSA were used to analyze home mortgage loans under the Borrower Profile criterion. The low-, moderate-, middle- and upper-income categories are presented in the following table.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2020 (\$71,100)	<\$35,550	\$35,550 to <\$56,880	\$56,880 to <\$85,320	≥\$85,320
2021 (\$73,300)	<\$36,650	\$36,650 to <\$58,640	\$58,640 to <\$87,960	≥\$87,960
2022 (\$83,300)	<\$41,650	\$41,650 to <\$66,640	\$66,640 to <\$99,960	≥\$99,960
<i>Source: FFIEC</i>				

As shown in the table below, the annual unemployment rates for the assessment area, state, and nation declined from 2020 to 2022, after the peak in the second quarter of 2020 due to the COVID-19 Pandemic.

Jefferson County’s unemployment rates have been lower than the nation but similar to the state. However, Shelby County’s unemployment rates have been lower than both the nation and the state.

Unemployment Rates			
Area	2020	2021	2022
	%	%	%
Jefferson County	6.8	3.5	2.6
Shelby County	4.2	2.1	1.8
Alabama	6.4	3.4	2.6
United States	8.1	5.3	3.6

Source: Bureau of Labor Statistics.

In terms of businesses and the economy, the assessment area’s largest industries include service industries at 31.4 percent, followed by non-classifiable establishments at 23.1 percent, and retail trade at 13.4 percent. However, 66.1 percent of the businesses within the assessment area operate with four or less employees, and 94.0 percent operate from a single location. According to *Moody’s Analytics, Inc.*, the largest employers in the Birmingham-Hoover, AL MSA are University of Alabama at Birmingham, Brookwood Baptist Health, MassMutual Financial Group, Honda Manufacturing, and St. Vincent’s Health System.

Competition

There is a high level of competition for financial services in the assessment area. In addition to competing with large national and regional banks, CB&S competes with local banks, credit unions, and finance companies. As of June 30, 2023, 42 FDIC-insured institutions operated 231 offices within the assessment area. The top five banks by deposit market share are Regions Bank; PNC Bank, National Association (N.A.); Servisfirst Bank; Wells Fargo Bank, N.A.; and Synovus Bank. Collectively, these five banks account for 75.4 percent of the deposit market share. CB&S ranked 34th in total deposits, with a market share of 0.1 percent.

In addition, there is a high level of competition for small business loans in the assessment area. In 2021 (the most recent year available), small business loan aggregate data indicates 147 lenders reported 23,769 small business loans originated or purchased in this assessment area. The top five institutions (by number of loans) are American Express National Bank; Regions Bank; Servisfirst Bank; JPMorgan Chase Bank, N.A.; and Wells Fargo Bank, N.A. Collectively, these lending institutions accounted for 46.3 percent of the total market share. CB&S ranked 51st in small business loans, with a market share of 0.1 percent.

Similarly, the Birmingham assessment area presents a high level of competition for home mortgage loans. In 2022, home mortgage loan aggregate data indicates 502 lenders reported 28,474 home mortgage loans originated or purchased. The top five lenders are Regions Bank; America’s First Federal Credit Union; Rocket Mortgage; Trustmark National Bank; and Fairway Independent

Mortgage Corp. Collectively, these leading institutions accounted for 26.6 percent of the total market share. CB&S ranked 109th in home mortgage loans, with a market share of 0.02 percent.

Community Contact

As part of the CRA evaluation process, examiners contact community organizations or utilize existing recent community contacts to gain insight regarding the credit and community development needs and economic conditions of an assessment area. For this evaluation, examiners utilized an existing community contact from the Birmingham assessment area. The contact was familiar with the economic and community development needs of the Birmingham-Hoover, AL MSA and stated that primary needs are financial education, given high poverty levels, and economic development.

Credit and Community Development Needs and Opportunities

Based on demographic and economic data, as well as information gathered from the community contact, some conclusions regarding the credit needs of the assessment area can be derived. First, the high percentage of low- and moderate-income families at 38.1 percent and median housing value of \$196,662 compared to the income of less than \$67,000 annually for low-and moderate-income families indicate a need for affordable housing. The community contact stated that the need for financial literacy in the area is prevalent. Small business loans are also needed, as 83.3 percent of businesses have GARs of \$1.0 million or less, 92.2 percent of the businesses operate with less than 10 employees, and the community contact stated that economic development is a need in the area.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE BIRMINGHAM ASSESSMENT AREA

LENDING TEST

The Lending Test performance in this assessment area is Low Satisfactory. The geographic distribution and borrower profile reflect adequate penetration throughout the assessment area and among borrowers of different income levels and businesses of different sizes. In addition, the bank uses flexible lending practices and makes an adequate level of community development loans in this area.

Lending Activity

CB&S' lending activity reflects adequate responsiveness to the assessment area's credit needs.

Geographic Distribution

CB&S' geographic distribution of loans reflects adequate penetration throughout the assessment area. This conclusion is primarily based on the bank's small business lending.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects a poor penetration throughout the assessment area. CB&S did not originate any loans in low-income census tracts in 2022. Additionally, the Bank's performance in moderate-income census tracts was significantly below demographic and aggregate lending data.

Small Business Loans

The geographic distribution of small business loans reflects good penetration throughout the assessment area. The bank's lending in low-income census tracts was above demographic and aggregate data. Lending performance in moderate-income census tracts was comparable to demographics and just above aggregate data.

Borrower Profile

The distribution of loans reflects adequate penetration among borrowers of different incomes and businesses of different sizes.

Home Mortgage Loans

The distribution of loans reflects adequate penetration among borrowers of different income levels. The bank's lending to low-income borrowers was below aggregate data and demographics. For moderate-income borrowers, lending was comparable to demographics but below aggregate data.

Small Business Loans

The distribution of small business loans reflects adequate penetration among businesses with GAR of \$1 million or less. Lending to small businesses was above aggregate data but below demographic data.

Community Development Loans

CB&S originated an adequate level of community development loans in the Birmingham assessment area. This conclusion is primarily supported by the dollar volume of community development loans. The bank originated one community development loan totaling \$2.9 million during the evaluation period. This amount represents 3.7 percent by number and 7.1 percent by dollar volume of total community development loans in Alabama. The loan was for Goodwill Industries to improve the facility located in a moderate-income census tract.

INVESTMENT TEST

CB&S made an adequate level of qualified investments within the Birmingham assessment area.

Investment and Grant Activity

CB&S made an adequate level of qualified investments in the Birmingham assessment area, totaling \$3.3 million. Qualified investments include two investments totaling approximately \$3.3 million and one donation totaling \$1,000. This amount represents 2.6 percent, by number,

and 9.1 percent, by dollar volume, of total community development investments and donations in Alabama. The investments include a prior period investment in mortgage-backed securities comprised of low- and moderate-income borrowers located in the Birmingham assessment area. The current value is \$2.8 million.

SERVICE TEST

CB&S' performance within this assessment area is Low Satisfactory.

Accessibility of Delivery Systems

Delivery systems are accessible to essentially all portions of the Birmingham assessment area. The bank operates two branches in the assessment area, representing 7.7 percent of the bank's branches in Alabama. Both branches are located in upper-income census tracts. In addition to the branch structure, the bank offers a variety of alternative delivery systems to all customers. Refer to the overall bank analysis for a description of the alternative delivery systems.

Community Development Services

The bank provided an adequate level of community development services in the Birmingham assessment area. Bank records show that employees participated in two qualifying community development services with two organizations. This performance represents 28.1 percent of all community development service activities in the state. The following are examples of community development services provided in this assessment area.

- A bank employee provided financial literacy education to students from Title 1 schools.
- A bank employee provided assistance to an organization that helps local businesses with SBA loans.

OTHER ASSESSMENT AREAS – Limited-Scope Review

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE LIMITED-SCOPE ASSESSMENT AREAS

The following assessment areas in the State of Alabama received a limited-scope review. Conclusions regarding the institution's CRA performance within the limited-scope areas were derived from reviewing available facts and data, including performance data, aggregate lending data comparisons, and demographic information. The conclusions did not alter the bank's overall performance rating.

Assessment Area	Lending Test	Investment Test	Service Test
Decatur, AL MSA	Consistent	Consistent	Consistent
Huntsville	Above	Below	Consistent
Montgomery	Consistent	Consistent	Consistent
Tuscaloosa	Consistent	Below	Below

The following facts and data support the conclusions for each limited-scope assessment area. Also included are details regarding the number and dollar volume of small business, home mortgage, small farm, and community development loans originated during the review period; qualified investments (new and prior period) and donations during the review period; and community development services for the review period. The geographic distribution and borrower profile tables are included in the Assessment Area Tables in the Appendices.

Decatur, AL MSA Assessment Area

The Decatur, AL MSA assessment area consists of Lawrence and Morgan Counties in their entirety. CB&S operates four branches in this assessment area, one is located in a moderate-income census tract, and three are located in middle-income census tracts. Demographic data for this assessment area is included in the following table.

Demographic Information of the Assessment Area						
Assessment Area: Decatur, AL MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	42	2.4	16.7	59.5	21.4	0.0
Population by Geography	156,494	2.1	16.5	62.0	19.5	0.0
Housing Units by Geography	67,581	1.6	15.8	62.4	20.2	0.0
Owner-Occupied Units by Geography	43,338	0.7	10.4	64.5	24.3	0.0
Occupied Rental Units by Geography	15,601	3.0	28.0	57.1	11.8	0.0
Vacant Units by Geography	8,642	3.4	20.9	61.4	14.3	0.0
Businesses by Geography	11,304	1.2	17.1	65.2	16.5	0.0
Farms by Geography	498	1.0	9.8	69.7	19.5	0.0
Family Distribution by Income Level	39,606	22.0	16.6	21.2	40.1	0.0
Household Distribution by Income Level	58,939	24.5	16.7	17.1	41.7	0.0
Median Family Income MSA - 19460 Decatur, AL MSA		\$65,097	Median Housing Value			\$130,917
			Median Gross Rent			\$677
			Families Below Poverty Level			12.4%
<i>Source: 2020 U.S. Census and 2022 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The assessment area is competitive in the financial services market. According to the FDIC Deposit Market Share data as of June 30, 2023, 14 institutions operate 37 offices within the assessment area. Of these institutions, CB&S ranked seventh, with a deposit market share of 5.9 percent.

Significant competition exists in the assessment area for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. According to the 2022 Peer Mortgage Data, 269 HMDA-reportable institutions originated 4,708 one-to-four family mortgage loans in the assessment area. By number of loans, CB&S ranked 22nd, with a market share of 1.3 percent. The top five lenders, by number of loans, included Redstone Federal Credit Union, Rocket Mortgage, Regions Bank, PennyMac Loan Services, and Bank Independent, accounting for a combined 27.1 percent of the total market share.

Moderate competition exists in the assessment area for small business loans. According to the 2021 Peer Small Business Data, 76 lenders reported 2,664 small business loans. By number of loans, CB&S ranked 13th, with a market share of 1.9 percent. The top five lenders, by number of loans, included Bank Independent; American Express National Bank; Synchrony Bank; Capital One Bank; and Renasant Bank, accounting for a combined 52.4 percent of the total market share.

The bank originated and engaged in the following activities in the assessment area during the review period:

Activity	#	\$ (000)
Small Business Loans	168	21,164
Home Mortgage Loans	209	30,489
Small Farm Loans	63	3,256
Community Development Loans	1	197
Investments (New)	0	0
Investments (Prior Period)	0	0
Donations	6	8
CD Services	3	NA

Huntsville Assessment Area

The Huntsville assessment area consists of Madison County in its entirety. Madison County comprises a portion of the Huntsville, AL MSA. CB&S operates four branches in this assessment area, two are located in middle- income census tracts, and two are located in upper-income census tracts. Demographic data for this assessment area is included in the following table.

Demographic Information of the Assessment Area						
Assessment Area: Huntsville						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	95	15.8	18.9	27.4	36.8	1.1
Population by Geography	388,153	14.8	15.5	30.3	38.7	0.7
Housing Units by Geography	164,100	15.6	16.9	29.8	36.9	0.8
Owner-Occupied Units by Geography	102,658	7.6	14.7	32.1	45.6	0.1
Occupied Rental Units by Geography	48,970	30.1	20.8	25.7	21.0	2.4
Vacant Units by Geography	12,472	25.3	20.2	26.5	27.1	0.9
Businesses by Geography	40,114	16.1	15.4	23.5	42.0	3.0
Farms by Geography	1,124	9.4	16.5	34.9	38.0	1.2
Family Distribution by Income Level	96,331	23.0	15.4	18.4	43.1	0.0
Household Distribution by Income Level	151,628	25.6	15.3	15.8	43.3	0.0
Median Family Income MSA - 26620 Huntsville, AL MSA		\$85,279	Median Housing Value			\$190,104
			Median Gross Rent			\$904
			Families Below Poverty Level			8.4%
<i>Source: 2020 U.S. Census and 2022 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

As of June 30, 2023, 33 FDIC-insured institutions operated 97 branches within this area. Of these institutions, CB&S ranked 17th in total deposits, with 1.2 percent of the market share.

The assessment area is highly competitive for mortgage lending. In 2022, 433 lenders reported 17,711 home mortgage loans. CB&S ranked 39th among all lenders, with 0.6 percent of the market share. Redstone Federal Credit Union, Rocket Mortgage, Pennymac Loan Services, and FirstBank represent the top lenders, with 24.9 percent of the market share.

The 2021 peer small business lending data depicts a high level of competition in the assessment area. In 2021, 109 lenders reported 8,348 small business loans. CB&S ranked 29th, with 0.6 percent of the market share. American Express, N.A.; Capital One, N.A.; ServisFirst Bank; And JP Morgan accounted for 37.0 percent of the deposit market share.

The bank originated and engaged in the following activities in the assessment area during the review period:

Activity	#	\$ (000)
Small Business Loans	177	24,758
Home Mortgage Loans	284	57,758
Small Farm Loans	12	875
Community Development Loans	4	9,519
Investments (New)	0	0
Investments (Prior Period)	1	1,030
Donations	13	12
CD Services	3	NA

Montgomery Assessment Area

The Montgomery assessment area consists of Elmore and Montgomery Counties in their entirety. These counties comprise a portion of the Montgomery, AL MSA. CB&S operates three branches in this assessment area, one branch is located in a middle- income census tract and two branches are located in upper-income tracts. Demographic data for this assessment area is included in the following table.

Demographic Information of the Assessment Area						
Assessment Area: Montgomery						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	91	12.1	24.2	37.4	24.2	2.2
Population by Geography	316,931	7.8	25.7	38.6	27.1	0.8
Housing Units by Geography	139,395	9.4	27.0	37.1	25.4	1.1
Owner-Occupied Units by Geography	73,988	5.3	21.4	41.7	31.3	0.2
Occupied Rental Units by Geography	45,317	12.5	35.7	31.8	17.9	2.1
Vacant Units by Geography	20,090	17.8	27.7	31.9	20.3	2.2
Businesses by Geography	33,429	8.1	23.5	33.2	29.6	5.5
Farms by Geography	799	4.1	16.1	46.1	32.0	1.6
Family Distribution by Income Level	75,970	23.4	16.4	18.7	41.5	0.0
Household Distribution by Income Level	119,305	25.2	15.2	18.4	41.2	0.0
Median Family Income MSA - 33860 Montgomery, AL MSA		\$68,115	Median Housing Value			\$148,136
			Median Gross Rent			\$917
			Families Below Poverty Level			13.0%
<i>Source: 2020 U.S. Census and 2022 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The assessment area is competitive in the financial services market. According to the FDIC Deposit Market Share data as of June 30, 2023, 21 institutions operate 76 offices within the assessment area. Of these institutions, CB&S ranked 12th, with a deposit market share of 1.6 percent.

Significant competition exists in the assessment area for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. According to the 2022 Peer Mortgage Data, 333 HMDA-reportable institutions originated 8,130 one-to-four family mortgage loans in the assessment area. By number of loans, CB&S ranked 33rd, with a market share of 0.7 percent. The top five lenders, by number of loans, included Trustmark Bank, Guild Mortgage Company, Rocket Mortgage, Fairway Independent Mortgage Company, and PennyMac Loan Services, accounting for a combined 28.6 percent of the total market share.

Moderate competition exists in the assessment area for small business loans. According to the 2021 Peer Small Business Data, 103 lenders reported 7,512 small business loans. By number of loans, CB&S ranked 22nd, with a market share of 1.2 percent. The top five lenders, by number of loans, included American Express National Bank, River Bank & Trust, ServisFirst Bank, Capital One Bank, and Wells Fargo Bank, accounting for a combined 44.2 percent of the total market share.

The bank originated and engaged in the following activities in the assessment area during the review period:

Activity	#	\$(000s)
Small Business Loans	296	20,783
Home Mortgage Loans	147	20,783
Small Farm Loans	72	25,807
Community Development Loans	3	2,067
Investments (New)	0	0
Investments (Prior Period)	1	1,630
Donations	2	2
CD Services	7	NA

Tuscaloosa Assessment Area

The Tuscaloosa assessment area consists of Tuscaloosa County in its entirety. Tuscaloosa County comprises a portion of the Tuscaloosa, AL MSA. CB&S operates one branch in this assessment area, located in a middle-income census tract. Demographic data for this assessment area is included in the following table.

Demographic Information of the Assessment Area						
Assessment Area: Tuscaloosa						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	59	8.5	15.3	40.7	28.8	6.8
Population by Geography	227,036	6.1	10.5	45.5	33.5	4.3
Housing Units by Geography	91,719	7.5	11.3	45.5	30.3	5.4
Owner-Occupied Units by Geography	47,018	4.5	7.6	45.1	39.7	3.3
Occupied Rental Units by Geography	27,695	12.3	17.4	46.3	18.0	6.0
Vacant Units by Geography	17,006	8.1	11.8	45.1	24.5	10.5
Businesses by Geography	18,820	5.5	10.4	45.3	32.9	5.8
Farms by Geography	523	2.1	10.3	44.0	41.7	1.9
Family Distribution by Income Level	47,980	21.4	16.3	18.8	43.5	0.0
Household Distribution by Income Level	74,713	23.8	14.5	16.5	45.1	0.0
Median Family Income MSA - 46220 Tuscaloosa, AL MSA		\$68,505	Median Housing Value			\$183,223
			Median Gross Rent			\$834
			Families Below Poverty Level			11.1%
<i>Source: 2020 U.S. Census and 2022 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The assessment area is competitive in the financial services market. According to the FDIC Deposit Market Share data as of June 30, 2023, 22 institutions operate 46 offices within the

assessment area. Of these institutions, CB&S ranked 14th, with a deposit market share of 1.1 percent.

Significant competition exists in the assessment area for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. According to the 2022 Peer Mortgage Data, 304 HMDA-reportable institutions originated 6,289 one-to-four family mortgage loans in the assessment area. By number of loans, CB&S ranked 52nd, with a market share of 0.3 percent. The top five lenders, by number of loans, included First Federal Bank, Regions Bank, Rocket Mortgage, Movement Mortgage Company, and PennyMac Loan Services, accounting for a combined 27.0 percent of the total market share.

Moderate competition exists in the assessment area for small business loans. According to the 2021 Peer Small Business Data, 87 lenders reported 4,627 small business loans. By number of loans, CB&S ranked 36th, with a market share of 0.2 percent. The top five lenders, by number of loans, included American Express, National Bank; Bryant Bank; Smart Bank; Synovus Bank; and Customers Bank, accounting for a combined 40.2 percent of the total market share.

The bank originated and engaged in the following activities in the assessment area during the review period:

Activity	#	\$(000s)
Small Business Loans	24	10,826
Home Mortgage Loans	30	21,368
Small Farm Loans	2	241
Community Development Loans	2	22,712
Investments (New)	0	0
Investments (Prior Period)	0	0
Donations	0	0
CD Services	0	NA

MISSISSIPPI

CRA RATING FOR MISSISSIPPI: SATISFACTORY

The Lending Test is rated: High Satisfactory

The Investment Test is rated: High Satisfactory

The Service Test is rated: High Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN MISSISSIPPI

CB&S operates one assessment area in the State of Mississippi, which consists of the following NMSA counties: Tippah, Alcorn, Lee, Coahoma, Webster, Oktibbeha, Washington, and Leflore. The bank operates 12 (22.2 percent) branches in the assessment area. The assessment area has not changed since the previous examination. The assessment area accounts for 12.3 percent of rated area loans and 21.6 percent of the rated area deposits.

Economic and Demographic Data

According to the 2020 U.S. Census data, this assessment area includes 89 census tracts, which consist of 8 low-, 16 moderate-, 38 middle-, and 26 upper-income census tracts. There is one census tract with no income designation. The following table details demographic characteristics of the assessment area based on the 2020 U.S. Census data and the 2022 D&B data.

Demographic Information of the Assessment Area						
Assessment Area: Mississippi NMSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	89	9.0	18.0	42.7	29.2	1.1
Population by Geography	296,263	7.3	16.4	42.3	34.1	0.0
Housing Units by Geography	136,486	8.3	17.5	43.3	30.9	0.0
Owner-Occupied Units by Geography	69,702	5.1	13.7	46.3	34.9	0.0
Occupied Rental Units by Geography	43,561	11.8	21.1	39.7	27.5	0.0
Vacant Units by Geography	23,223	11.3	21.8	41.4	25.4	0.0
Businesses by Geography	23,256	8.5	15.4	43.7	32.2	0.1
Farms by Geography	1,178	6.5	11.7	54.1	27.7	0.1
Family Distribution by Income Level	71,089	23.6	15.5	17.6	43.3	0.0
Household Distribution by Income Level	113,263	27.8	14.3	14.7	43.2	0.0
Median Family Income Non-MSAs - MS		\$53,003	Median Housing Value			\$115,348
			Median Gross Rent			\$687
			Families Below Poverty Level			16.7%
<i>Source: 2020 U.S. Census and 2022 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The analysis of small business loans under the borrower profile criterion compares the distribution of businesses by GAR level. According to 2022 D&B data, there were 23,256 businesses in the assessment area. The assessment area's largest industries include service industries at 32.8 percent, followed by non-classifiable establishments at 22.7 percent, and retail trade at 13.1 percent. Of the businesses in the assessment area, 82.1 percent had GARs of \$1.0 million or less, 4.3 percent had GARs of more than \$1.0 million, and 13.6 percent had unknown revenues.

The FFIEC has designated 17 middle-income census tracts in the Mississippi NMSA as distressed middle-income census tracts due to poverty, unemployment, or population loss in 2021 and 2022.

The FFIEC updated median family income levels for the Mississippi NMSA were used to analyze home mortgage loans under the Borrower Profile criterion. The low-, moderate-, middle- and upper-income categories are presented in the following table.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Mississippi NMSA Median Family Income (99999)				
2020 (\$49,800)	<\$24,900	\$24,900 to <\$39,840	\$39,840 to <\$59,760	≥\$59,760
2021 (\$51,400)	<\$25,700	\$25,700 to <\$41,120	\$41,120 to <\$61,680	≥\$61,680
2022 (\$58,800)	<\$29,400	\$29,400 to <\$47,040	\$47,040 to <\$70,560	≥\$70,560
<i>Source: FFIEC</i>				

As shown in the table below, the annual unemployment rates for the assessment area, state, and Nation declined from 2020 to 2022, after the peak in second quarter 2020 due to the COVID-19 Pandemic.

Unemployment Rates			
Area	2020	2021	2022
	%	%	%
Tippah County	6.9	4.6	3.4
Alcorn County	6.2	4.7	3.6
Lee County	8.0	4.5	3.3
Coahoma County	12.3	8.4	5.6
Webster County	7.3	5.4	3.9
Oktibbeha County	7.6	5.5	4.1
Washington County	7.3	5.4	3.9
Leflore County	10.7	8.0	5.8
Mississippi	8.0	5.5	3.9
National Average	8.1	5.3	3.6
<i>Source: Bureau of Labor Statistics (year-end)</i>			

Competition

As of June 30, 2023, 26 FDIC-insured institutions operated 138 branches within this area. Of these institutions, CB&S ranked eighth in total deposits, with 4.3 percent of the market share. Renasant Bank, BancorpSouth Bank, Cadence Bank, Regions Bank, and Trustmark National Bank accounted for 62.2 percent of the deposit market share.

The Mississippi NMSA Assessment Area is highly competitive for home mortgage loans. In 2022, 248 lenders reported 5,358 home mortgage loans. CB&S ranked 10th, with 1.7 percent market share. Cadence Bank, Renasant Bank, Regions Bank, and 21st Mortgage accounted for 34.2 percent of the market share.

The assessment area is highly competitive for small business lending. The 2022 peer data was not available for this evaluation; therefore, 2021 peer data provided a standard for comparison. In 2021, 106 lenders reported 6,054 small business loans. CB&S ranked 16th, with 3.6 percent of the

market share. American Express Bank, Cadence Bank, Synchrony Bank, and Capital One Bank accounted for 35.9 percent of the market share.

The assessment area is moderately competitive for small farm lending. The 2022 peer data was not available for this evaluation; therefore, 2021 peer data provided a standard for comparison. In 2021, 25 lenders reported 403 small farm loans. CB&S ranked fourth, with 7.9 percent of the market share. The top three financial institutions and non-depository lenders accounted for 53.6 percent of the market share.

Community Contact

As part of the CRA evaluation process, examiners contact community organizations or utilize existing recent community contacts to gain insight regarding the credit and community development needs and economic conditions of an assessment area. For this evaluation, examiners conducted a community contact in the Mississippi NMSA assessment area. The contact was familiar with the economic and community development needs of the Mississippi NMSA and stated that primary needs are financial education, given high poverty levels, and economic development.

Credit and Community Development Needs and Opportunities

Based on demographic and economic data, as well as information gathered from a community contact, some conclusions regarding the credit needs of the assessment area can be derived. First, the high percentage of low- and moderate-income families at 39.1 percent and median housing value of \$115,348 compared to the income of less than \$47,000 annually for low-and moderate-income families indicates a need for affordable housing. The community contact stated that the need for financial literacy in the area is prevalent. Small business loans are needed as 83.3 percent of businesses have gross annual revenues of \$1.0 million or less, 93.2 percent of the businesses operate with less than 10 employees, and the community contact stated that economic development is a need in the area.

SCOPE OF EVALUATION – MISSISSIPPI

The evaluation of the Mississippi performance considered the operations of CB&S in the Mississippi NMSA Assessment Area. As this is the only assessment area in the State of Mississippi, a full-scope review was conducted. The products and time frames noted in the Scope of Evaluation section for the overall institution apply to the Mississippi analysis.

CONCLUSIONS ON PERFORMANCE CRITERIA IN MISSISSIPPI

LENDING TEST

The Lending Test performance in Mississippi is High Satisfactory. The geographic distribution reflects excellent penetration throughout the assessment area, and the borrower profile reflects good penetration among borrowers of different income levels and businesses of different sizes. In addition, the bank uses flexible lending practices and makes an adequate level of community development loans.

Lending Activity

CB&S' lending activity reflects good responsiveness to the Mississippi NMSA assessment area's credit needs.

Geographic Distribution

The geographic distribution reflects excellent dispersion throughout the assessment area.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects excellent dispersion throughout the assessment area. The bank's 2022 lending performance in low-income census tracts was higher than demographic data and significantly higher than aggregate data. For moderate-income census tracts, performance was significantly higher than aggregate data and higher than demographics.

Small Business Loans

The geographic distribution of small business loans reflects excellent dispersion in the assessment area. Lending in low-income census tracts significantly exceeded demographic and aggregate data. Lending performance in moderate-income census tracts was slightly below demographics and just above aggregate data.

Borrower Profile

The distribution of loans reflects good penetration among borrowers of different incomes and businesses of different sizes.

Home Mortgage Loans

The distribution of loans is excellent among borrowers of different income levels. Lending to low-income borrowers was above aggregate data but below demographics. It is noted that over 70.0 percent of the low-income families have incomes below the poverty level. For moderate-income borrowers, lending was above both demographics and aggregate data in 2022.

Small Business Loans

The distribution of small business loans reflects good penetration to businesses with GAR of \$1 million or less. In 2021, the bank's performance was lower than demographic data but higher than aggregate data. It is noted that the bank originated a significant volume of loans (53.0 percent) that had no revenue data available. These loans were PPP loans, which did not require the collection of income data.

Community Development Loans

CB&S originated an adequate level of community development loans in the Mississippi NMSA assessment area. The bank originated seven community development loans totaling approximately \$3.2 million during the evaluation period. This represents 17.9 percent of bank-wide community development loans, by number, and 5.0 percent by dollar. Regarding the community development purpose of these loans, two loans revitalized and stabilized low- and

moderate-income census tracts and two loans were for affordable housing. Below are examples of community development loans originated in this assessment area since the previous evaluation.

- Since the last evaluation, the bank had five participations through the Financial Institutions Housing Opportunity Pool (FIHOP). FIHOP is a nonprofit organization based in Jackson, Mississippi that provides permanent mortgages for multifamily low- and moderate-income housing statewide. Most of its work is new construction that leverages low-income housing tax credits.
- In 2021, the bank refinanced a \$196,000 loan to purchase a multi-family residential property that provides affordable housing to low- and moderate-income families. The property is located in a moderate-income census tract in Alcorn County.

INVESTMENT TEST

The Investment Test rating for Mississippi is High Satisfactory. CB&S made a significant level of qualified investments within the Mississippi NMSA assessment area.

Investment and Grant Activity

CB&S made a significant level of qualified investments in the Mississippi NMSA assessment area. The bank purchased or retained 42 qualified investments, including donations and grants, totaling approximately \$4.1 million during the evaluation period, which represents 17.7 percent, by number, and 6.7 percent, by dollar volume, of total qualified investments. Qualified investments include five investments totaling approximately \$4.0 million and 37 donations totaling \$28,579. Current-period qualified investments that directly benefit the Mississippi NMSA assessment area consist of \$28,579 in qualified grants and donations and \$1.0 million in mortgage backed securities. Prior period investments benefiting Mississippi include \$2.0 million in equity securities, and \$870,000 in municipal bonds. Below are examples of qualified investments in this assessment area carried forward from the previous evaluation.

- The bank has a \$500,000 investment with the Mississippi Home Corporation (MHC). The MHC developed a Financial Institutions Housing Opportunity Pool (FIHOP) to assist in the development of affordable housing. Their mission is to fund developers of multi-family housing to utilize low-income housing tax credits.
- The bank continues to partner with the Senior Housing Crime Prevention Foundation with a prior-period investment of \$1.5 million. This foundation provides affordable housing assistance to designated nursing homes in Washington County.

SERVICE TEST

The Service Test rating for Mississippi is High Satisfactory. CB&S' delivery systems are accessible to essentially all portions of the assessment areas. The opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and to low- and moderate-income individuals. In

addition, services and business hours do not vary in a way that inconveniences certain portions of the assessment area, and the bank provided a relatively high level of community development services in this assessment area.

Accessibility of Delivery Systems

Delivery systems are accessible to essentially all portions of the Mississippi NMSA assessment area. The bank operates 12 branches in Mississippi, representing 22.2 percent of the bank’s branches. One branch is located in a low-income census tract and three are located in moderate-income census tracts. Overall, the bank’s branching distribution in low- and moderate-income census tracts is consistent with the percentage of low- and moderate-income census tracts and the percent of the population within the respective census tracts. Additionally, five of the branches are located in middle-income census tracts that are designated as distressed. This elevates the reasonableness of accessibility to low- and moderate-income individuals. In addition to the branch structure, the bank offers a variety of alternative delivery systems to all customers. Refer to the overall bank analysis for a description of the alternative delivery systems. The following table provides additional details regarding the State demographics.

Branch Distribution by Geography Income Level						
Tract Income Level	Census Tracts		Population		Branches	
	#	%	#	%	#	%
Low	8	9.0	21,515	7.3	1	8.3
Moderate	16	18.0	48,666	16.4	3	25.0
Middle	38	42.7	125,203	42.3	5	41.7
Upper	26	29.2	100,879	34.0	3	25.0
NA	1	1.1	0	0.0	0	0.0
Total	89	100.0	296,263	100.0	12	100.0

Source: 2020 Census Data; Bank Data

Changes in Branch Locations

To the extent changes have been made, the bank’s opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies or to low- and moderate-income individuals. The bank closed two branches in Mississippi since the previous examination, Greenville in 2022 and Tupelo Gloster in 2020. Both branches were located in middle-income census tracts. CB&S installed an ITM at the Greenville branch location after the branch closed. Additionally, the bank’s Greenville Downtown branch is located four miles away.

Community Development Services

The bank provided a relatively high level of community development services in the Mississippi NMSA assessment area. Bank records show that employees participated in 23 qualifying community development services with various organizations. This performance represents 19.7 percent of all community development service activities during the evaluation period. Qualitatively, the services provided a good level of responsiveness to the assessment area's needs. The following are examples of community development services provided in this assessment area.

- A bank member serves on the FIHOP Board. As previously mentioned, FIHOP's mission is to fund developers of multi-family housing to utilize low-income housing tax credits.
- Several employees participate in the financial literacy education activities with Title I schools in Alcorn, Washington, and Tippah Counties.

TENNESSEE

CRA RATING FOR TENNESSEE: SATISFACTORY

The Lending Test is rated: High Satisfactory

The Investment Test is rated: High Satisfactory

The Service Test is rated: High Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN TENNESSEE

CB&S operates in two assessment areas within the State of Tennessee. There have been no changes to the assessment areas since the previous evaluation. The bank operates 16 (29.6 percent) of its branches in Tennessee. Additionally, Tennessee accounts for 16.6 percent of rated area loans and 22.5 percent of rated area deposits. The following table depicts the two assessment areas.

Description of Assessment Areas			
Assessment Area	Counties in Assessment Area	# of CTs	# of Branches
Tennessee NMSA	Marshall, Giles, Lincoln, Hardeman, Hardin, Decatur, McNairy, and Lewis	53	14
Nashville	Rutherford	64	2
Total		117	16
<i>Source: Bank Records</i>			

SCOPE OF EVALUATION – TENNESSEE

The evaluation of the State of Tennessee performance considered the operations of CB&S in the Tennessee NMSA and Nashville assessment areas. A full-scope review was conducted for the Tennessee NMSA assessment area as it contains a significant portion of the bank's branches, deposits, and lending in Tennessee. A limited-scope review was conducted for the Nashville assessment area. The products and timeframes noted in the Scope of Evaluation section for the overall institution apply to the Tennessee analysis.

CONCLUSIONS ON PERFORMANCE CRITERIA IN TENNESSEE

LENDING TEST

The Lending Test performance in Tennessee is High Satisfactory. The geographic distribution and borrower profile reflects good penetration throughout the assessment area and among borrowers of different income levels and businesses of different sizes. In addition, the bank uses flexible lending practices and makes a relatively high level of community development loans.

Lending Activity

CB&S' lending activity reflects good responsiveness to the Tennessee assessment areas' credit needs.

Geographic Distribution

CB&S' lending activity reflects good penetration throughout the assessment areas. The bank's performance was generally consistent across assessment areas.

Borrower Profile

The distribution of borrowers reflects good penetration among individuals of different income levels and businesses of different sizes. The bank's performance was generally consistent across assessment areas.

Community Development Loans

CB&S Bank originated a relatively high level of community development loans in Tennessee. During the evaluation period, the bank originated five community development loans totaling \$19.7 million throughout the State. This represents 12.8 percent, by number, and 31.0 percent, by dollar, of bank-wide community development loans. The current performance is similar to the performance at the previous evaluation. Additionally, the majority of the community development loans by dollar volume were made in the Nashville assessment area. Refer to the individual assessment areas for examples.

INVESTMENT TEST

CB&S' Investment Test rating for Tennessee is High Satisfactory. The bank has made a significant level of qualified community development investments and grants, which were responsive in meeting Tennessee's credit and community economic development needs. The bank's performance surpassed performance documented during the previous evaluation. The institution occasionally uses innovative investments to support community development initiatives. The majority of investments by dollar volume was made in the Nashville assessment area.

Investment and Grant Activity

CB&S has made a significant level of qualified community development investments and grants, often in a leadership position. The bank purchased or retained 79 qualified investments, including donations and grants, totaling approximately \$20.4 million during the evaluation period, which represents 33.4 percent of total qualified investments, by number, and 34.3 percent, by dollar. Current-period qualified investments that directly benefit Tennessee consist of \$16.1 million in mortgage-backed securities and \$19,000 in qualified grants and donations. The current balance of prior period investments benefiting Tennessee is \$4.4 million. One investment totaling \$1.0 million benefitted the statewide area. This investment was to the Tennessee Rural Opportunity Fund to assist small businesses. Refer to the individual assessment areas for examples of investments directly benefitting the assessment area.

SERVICE TEST

The Service Test rating for Tennessee is High Satisfactory. CB&S' delivery systems are accessible to essentially all portions of the assessment areas, and the opening and closing of branches has not adversely affected the accessibility of its delivery systems. In addition, services and business hours do not vary in a way that inconveniences certain portions of the assessment areas, and the bank provided a relatively high level of community development services within its assessment areas.

Accessibility of Delivery Systems

Bank delivery systems are accessible to essentially all portions of the assessment areas. As of the evaluation date, the bank operates 16 full-service branches in Tennessee, which represents 29.6 percent of CB&S' total branches. Overall, the bank's branching distribution in low- and moderate-income census tracts is consistent with the percent of low- and moderate-income census tracts and the percent of the population within the respective census tracts. While no branches are located in the two low-income tracts, as addressed, this is not inconsistent with the demographics. Further, five of the 12 branches are located in designated distressed or underserved middle-income census tracts. This elevates the reasonableness of accessibility to low- and moderate-income individuals. In addition to the branch structure, the bank offers a variety of alternative delivery systems to all customers. Refer to the overall bank analysis for a description of the alternative delivery systems. The following table provides additional details regarding the Tennessee assessment areas' demographics and branches.

Branch Distribution by Geography Income Level						
Tract Income Level	Census Tracts		Population		Branches	
	#	%	#	%	#	%
Low	2	1.7	10,916	2.0	0	0
Moderate	21	18.0	76,867	14.2	6	37.5
Middle	72	61.5	343,784	63.2	8	50.0
Upper	20	17.1	106,865	19.6	2	12.5
NA	2	1.7	5,213	1.0	0	0.0
Total	117	100.0	543,645	100.0	16	100.0
<i>Source: 2020 Census Data; Bank Data</i>						

Community Development Services

CB&S provided a relatively high level of community development services in Tennessee. Bank management, officers, and employees have been involved in numerous community development organizations, occasionally serving in leadership positions. Bank staff provided 15 instances of qualifying services within the State. This performance represents 17.7 percent of all community development services offered institution-wide. All community development services provided in Tennessee occurred in the Tennessee NMSA assessment area. Services are slightly below the performance noted during the previous evaluation. However, services during this evaluation were provided to organizations that are involved in community services that help benefit low- and

moderate-income individuals as well as low- and moderate-income areas. Refer to the Tennessee NMSA assessment area for specific details of community development services provided during the evaluation.

TENNESSEE NMSA ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE TENNESSEE NMSA ASSESSMENT AREA

The Tennessee NMSA assessment area consists of Marshall, Giles, Lincoln, Hardeman, Hardin, Decatur, McNairy, and Lewis Counties. The bank operates 14 branches in the assessment area, representing 87.5 percent of statewide branches. This assessment area accounted for 13.1 percent of rated area loans and 21.2 percent of rated area deposits.

Economic and Demographic Data

According to the 2020 U.S. Census data, this assessment area includes 53 census tracts, which consist of 7 moderate-, 36 middle-, and 10 upper-income census tracts. The following table details demographic characteristics of the assessment area based on the 2020 U.S. Census data and 2022 D&B data.

Demographic Information of the Assessment Area						
Assessment Area: Tennessee NMSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	53	0.0	13.2	67.9	18.9	0.0
Population by Geography	202,159	0.0	9.7	71.2	19.1	0.0
Housing Units by Geography	93,280	0.0	10.3	71.8	17.9	0.0
Owner-Occupied Units by Geography	57,005	0.0	8.7	70.1	21.2	0.0
Occupied Rental Units by Geography	19,600	0.0	13.2	73.9	12.9	0.0
Vacant Units by Geography	16,675	0.0	12.4	75.3	12.3	0.0
Businesses by Geography	12,613	0.0	12.3	70.9	16.8	0.0
Farms by Geography	881	0.0	6.0	67.9	26.1	0.0
Family Distribution by Income Level	51,976	19.1	18.8	19.4	42.7	0.0
Household Distribution by Income Level	76,605	22.7	16.3	17.6	43.5	0.0
Median Family Income Non-MSAs - TN		\$56,418	Median Housing Value			\$124,571
			Median Gross Rent			\$685
			Families Below Poverty Level			12.1%
<i>Source: 2020 U.S. Census and 2022 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The analysis of small business loans under the borrower profile criterion compares the distribution of businesses by GAR level. According to 2022 D&B data, there were 12,613 businesses in the assessment area. Of these businesses, 83.2 percent had GARs of \$1.0 million or less, 4.0 percent had GARs of more than \$1.0 million, and 12.8 percent had unknown revenues.

The FFIEC has designated eight middle-income census tracts in the Tennessee NMSA as distressed middle-income census tracts due to poverty, unemployment, or population loss in 2021 and 2022.

The FFIEC updated MFI levels for the Tennessee NMSA were used to analyze home mortgage loans under the Borrower Profile criterion. The low-, moderate-, middle- and upper-income categories are presented in the following table.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
TN NA Median Family Income (99999)				
2020 (\$52,200)	<\$26,100	\$26,100 to <\$41,760	\$41,760 to <\$62,640	≥\$62,640
2021 (\$53,700)	<\$26,850	\$26,850 to <\$42,960	\$42,960 to <\$64,440	≥\$64,440
2022 (\$64,700)	<\$32,350	\$32,350 to <\$51,760	\$51,760 to <\$77,640	≥\$77,640
<i>Source: FFIEC</i>				

As shown in the table below, the annual unemployment rates for the assessment area, state, and Nation declined from 2020 to 2022, after the peak in second quarter 2020 due to the COVID-19 Pandemic.

Unemployment Rates			
Area	2020	2021	2022
	%	%	%
Marshall County	9.1	4.8	3.3
Giles County	8.3	4.5	3.3
Lincoln County	8.4	4.5	3.3
Hardeman County	7.9	6.3	4.2
Hardin County	7.0	4.7	4.0
Decatur County	8.6	6.0	4.5
McNairy County	8.4	5.6	4.6
Lewis County	7.5	5.6	4.6
Tennessee	7.5	4.5	3.4
National Average	8.1	5.3	3.6
<i>Source: Bureau of Labor Statistics (year-end)</i>			

Competition

As of June 30, 2023, 24 FDIC-insured institutions operated 75 branches within this area. Of these institutions, CB&S ranked fourth in total deposits, with 9.1 percent of the market share. First National Bank of Pulaski, First Commerce Bank, and The Hardin County Bank accounted for 36.9 percent of the deposit market share.

The Tennessee NMSA Assessment Area is highly competitive for home mortgage loans. In 2022, 349 lenders reported 5,929 home mortgage loans. CB&S ranked sixth, with 2.8 percent of the market share. Rocket Mortgage; PennyMac Loan Services, LLC; and First Community Mortgage accounted for 15.1 percent of the market share.

The assessment area is highly competitive for small business lending. The 2022 peer data was not available for this evaluation; therefore, 2021 peer data provided a standard for comparison. In 2021, 91 lenders reported 2,545 small business loans. CB&S ranked second, with 8.1 percent of the market share. American Express, NA was first, with 17.4 percent of

the market share.

Credit and community Development Needs and Opportunities

Based on demographic information and economic data, examiners identified certain credit and community development needs and opportunities within the assessment area. The relatively high number of low- or moderate-income families, at 19.1 percent and 18.8 percent, respectively, indicates a need for affordable housing. There is also a need for small business loans considering that 61.2 percent of the businesses in the assessment area have fewer than four employees.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE TENNESSEE NMSA ASSESSMENT AREA

LENDING TEST

The Lending Test performance in this assessment area is High Satisfactory. The Geographic Distribution reflects good dispersion throughout the Tennessee NMSA assessment area, and the Borrower Profile reflects good penetration among borrowers of different income levels and businesses of different sizes. In addition, the bank uses flexible lending practices and makes an adequate level of community development loans in this area.

Lending Activity

CB&S' lending activity reflects good responsiveness to the assessment area's credit needs.

Geographic Distribution

The geographic distribution reflects good dispersion throughout the assessment area.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects excellent dispersion throughout the assessment area. For moderate-income census tracts, performance was significantly above aggregate data and demographics.

Small Business Loans

The geographic distribution of small business loans reflects adequate dispersion throughout the assessment area. Lending performance in moderate-income census tracts was below demographics and aggregate data.

Borrower Profile

The distribution of loans reflects good penetration among borrowers of different incomes and businesses of different sizes.

Home Mortgage Loans

The distribution of loans reflects excellent penetration among borrowers of different income levels. Lending to low-income borrowers was significantly higher than aggregate data but lower than demographics. For moderate-income borrowers, lending was higher than both demographics and aggregate data.

Small Business Loans

The distribution of small business loans reflects adequate penetration among businesses with GAR of \$1 million or less. Lending to small businesses was comparable to aggregate data although significantly below demographic data. It is noted that 53.7 percent of the bank's loans had no revenue data available. The bank originated a significant level of PPP loans, which did not require the collection of income data.

Community Development Loans

CB&S originated an adequate level of community development loans in the Tennessee NMSA assessment area. The bank originated two community development loans totaling \$472,000 during the evaluation period. This amount represents 40 percent, by number, and 2.4 percent, by dollar volume, of total community development loans in Tennessee. Regarding the community development purpose of these loans, both loans revitalized and stabilized distressed and/or underserved middle-income census tracts.

INVESTMENT TEST

CB&S made an adequate level of qualified investments within the Tennessee NMSA assessment area.

Investment and Grant Activity

CB&S made an adequate level of qualified investments in the Tennessee NMSA assessment area, totaling \$18,000. The bank did not purchase or carry forward any investments in this assessment area during this review period. However, the bank made 63 donations in the NMSA totaling \$18,000. This amount represents 80.0 percent, by number, and 0.08 percent, by dollar volume, of total community development investments and donations in Tennessee.

SERVICE TEST

CB&S' performance within the Tennessee NMSA Assessment Area is High Satisfactory.

Accessibility of Delivery Systems

Delivery systems are accessible to essentially all portions of the Tennessee NMSA Assessment Area. The bank operates 14 branches in the assessment area, representing 87.5 percent of the bank's branches in Tennessee. Of these branches, five are located in moderate-income census tracts. Additionally, four are located in distressed or underserved middle-income census tracts.

In addition to the branch structure, the bank offers a variety of alternative delivery systems to all customers. Refer to the overall bank analysis for a description of the alternative delivery systems.

Community Development Services

The bank provided a relatively high level of community development services in the Tennessee NMSA assessment area. Bank records show that employees participated in 15 qualifying community development services with various organizations. This performance represents 100 percent of all community development service activities in the state. Qualitatively, the services provided a good level of responsiveness to the assessment area’s needs. The following are examples of community development services provided in this assessment area.

- A bank employee serves on the Board and financial committee for a local health center. The community health center is a Federally Qualified Health Center that serves a medically-underserved area and provides a sliding fee scale to persons with incomes below 200 percent of the Federal poverty guidelines.
- Several employees participate in the financial literacy education activities with Title I schools throughout the Tennessee NMSA assessment area.

NASHVILLE ASSESSMENT AREA – Limited-Scope Review

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE NASHVILLE ASSESSMENT AREA

The following table summarizes the conclusions for the Nashville assessment area reviewed using limited-scope examination procedures. Conclusions regarding the institution’s CRA performance within the limited-scope area were derived from reviewing available facts and data, including performance data, aggregate lending data comparisons, and demographic information. The conclusions did not alter the bank’s overall performance rating.

Assessment Area	Lending Test	Investment Test	Service Test
Nashville	Consistent	Exceeds	Below

The following facts and data support the conclusions for the limited-scope assessment area. Also included are details regarding the number and dollar volume of small business, home mortgage, small farm, and community development loans originated during the review period; qualified investments (new and prior period) and donations during the review period; and community development services for the review period. The geographic distribution and borrower profile tables are included in the Assessment Area Tables in the Appendices.

The Nashville assessment area consists of Rutherford County in its entirety. Rutherford County comprises a portion of the Nashville-Davidson-Murfreesboro-Franklin, TN MSA. CB&S operates two branches in this assessment area, one is located in a middle-income census tract and one is located in a moderate-income census tract. Demographic data for this assessment area is included in the following table.

Demographic Information of the Assessment Area						
Assessment Area: Nashville						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	64	3.1	21.9	56.3	15.6	3.1
Population by Geography	341,486	3.2	16.8	58.5	20.0	1.5
Housing Units by Geography	122,071	3.4	19.8	57.9	17.6	1.2
Owner-Occupied Units by Geography	75,174	1.1	12.1	61.8	24.5	0.5
Occupied Rental Units by Geography	40,075	7.2	32.7	51.9	5.7	2.5
Vacant Units by Geography	6,822	6.6	29.0	51.2	11.4	1.7
Businesses by Geography	27,591	2.0	22.9	53.8	17.6	3.6
Farms by Geography	717	1.4	13.7	61.9	22.0	1.0
Family Distribution by Income Level	81,396	19.0	20.0	24.0	37.0	0.0
Household Distribution by Income Level	115,249	20.1	18.9	20.8	40.1	0.0
Median Family Income MSA - 34980 Nashville-Davidson--Murfreesboro-- Franklin, TN MSA		\$83,085	Median Housing Value			\$234,558
			Median Gross Rent			\$1,098
			Families Below Poverty Level			6.6%
<i>Source: 2020 U.S. Census and 2022 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The assessment area is highly competitive in the financial services market. According to the FDIC Deposit Market Share data as of June 30, 2023, 23 institutions operated 75 offices within the assessment area. Of these institutions, CB&S ranked 18th, with a 0.4 percent deposit market share. In terms of home mortgage lending, the assessment area is highly competitive. In 2022, 484 lenders reported 15,137 home mortgage loans. CB&S ranked 139th, with a 0.1 percent market share. The top four lenders; Rocket Mortgage; First Community Mortgage, Inc.; Wells Fargo Bank, N.A.; Ascend Federal Credit Union; and Pennymac Loan Services, LLC led the market with a 16.2 percent market share. Small business lending competition is also prevalent within the assessment area. Approximately 101 lenders originated 6,915 small business loans in 2021. CB&S ranked 41st, with a 0.1 percent market share. American Express National Bank; Pinnacle Bank; JP Morgan Chase Bank, NA; and Bank of America, NA led the market with a combined market share of 42.2 percent.

The bank originated and engaged in the following activities in the assessment area during the review period:

Activity	#	\$(000s)
Small Business Loans	54	10,802
Home Mortgage Loans	30	14,499
Small Farm Loans	0	0
Community Development Loans	3	19,239
Investments (New)	6	16,531
Investments (Prior Period)	8	2,917
Donations	1	1
CD Services	0	--

APPENDICES

APPENDIX A - LARGE BANK PERFORMANCE CRITERIA

Lending Test

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) through its lending activities by considering a bank's home mortgage, small business, small farm, and community development lending. If consumer lending constitutes a substantial majority of a bank's business, the FDIC will evaluate the bank's consumer lending in one or more of the following categories: motor vehicle, credit card, other secured, and other unsecured. The bank's lending performance is evaluated pursuant to the following criteria:

- 1) The number and amount of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, in the bank's assessment area;
- 2) The geographic distribution of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, based on the loan location, including:
 - i. The proportion of the bank's lending in the bank's assessment area(s);
 - ii. The dispersion of lending in the bank's assessment areas(s); and
 - iii. The number and amount of loans in low-, moderate-, middle- and upper-income geographies in the bank's assessment area(s);
- 3) The distribution, particularly in the bank's assessment area(s), of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, based on borrower characteristics, including the number and amount of:
 - i. Home mortgage loans low-, moderate-, middle- and upper-income individuals
 - ii. Small business and small farm loans to businesses and farms with gross annual revenues of \$1 million or less;
 - iii. Small business and small farm loans by loan amount at origination; and
 - iv. Consumer loans, if applicable, to low-, moderate-, middle- and upper-income individuals;
- 4) The bank's community development lending, including the number and amount of community development loans, and their complexity and innovativeness; and
- 5) The bank's use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of low- and moderate-income individuals or geographies.

Investment Test

The Investment Test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) through qualified investments that benefit its assessment area(s) or a broader statewide or regional area that includes the bank's assessment area(s). Activities considered under the Lending or Service Test may not be considered under the investment test. The bank's investment performance is evaluated pursuant to the following criteria:

- 1) The dollar amount of qualified investments;
- 2) The innovativeness or complexity of qualified investments;
- 3) The responsiveness of qualified investments to available opportunities; and
- 4) The degree to which qualified investments are not routinely provided by private investors.

Service Test

The Service Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by analyzing both the availability and effectiveness of the bank's systems for delivering retail banking services and the extent and innovativeness of its community development services.

The bank's retail banking services are evaluated pursuant to the following criteria:

- 1) The current distribution of the bank's branches among low-, moderate-, middle-, and upper-income geographies;
- 2) In the context of its current distribution of the bank's branches, the bank's record of opening and closing branches, particularly branches located in low- or moderate-income geographies or primarily serving low- or moderate-income individuals;
- 3) The availability and effectiveness of alternative systems for delivering retail banking services (*e.g.*, RSFs, RSFs not owned or operated by or exclusively for the bank, banking by telephone or computer, loan production offices, and bank-at-work or bank-by-mail programs) in low- and moderate-income geographies and to low- and moderate-income individuals; and
- 4) The range of services provided in low-, moderate-, middle-, and upper-income geographies and the degree to which the services are tailored to meet the needs of those geographies.

The bank's community development services are evaluated pursuant to the following criteria:

- 1) The extent to which the bank provides community development services; and
- 2) The innovativeness and responsiveness of community development services.

APPENDIX B – SCOPE OF EVALUATION TABLES

CB&S Bank	
<p>Scope of Examination: Full scope reviews were performed on the following assessment areas within the noted rated areas:</p> <p style="margin-left: 40px;">State of Alabama: Alabama NMSA Assessment Area Florence-Muscle Shoals, AL MSA Assessment Area Birmingham Assessment Area</p> <p style="margin-left: 40px;">State of Mississippi: Mississippi NMSA Assessment Area</p> <p style="margin-left: 40px;">State of Tennessee: Tennessee NMSA Assessment Area</p> <p>Limited scope reviews were performed on the following assessment areas within the noted rated areas:</p> <p style="margin-left: 40px;">State of Alabama: Decatur, AL MSA Assessment Area Huntsville Assessment Area Tuscaloosa Assessment Area</p> <p style="margin-left: 40px;">State of Tennessee: Nashville Assessment Area</p>	
Time Period Reviewed:	01/01/2020 to 11/27/2023
<p>Products Reviewed: (list loan categories reviewed alphabetically): Home Mortgage Loans: 01/01/2020 – 12/31/2022 Small Business Loans: 01/01/2020 – 12/31/2022 Small Farm Loans: 01/01/2020 – 12/31/2022 Community Development Loans: 9/14/2020 – 11/27/2023</p>	

APPENDIX C - SUMMARY OF RATINGS FOR RATED AREAS

Rated Area	Lending Test	Investment Test	Service Test	Rating
Alabama	High Satisfactory	High Satisfactory	High Satisfactory	Satisfactory
Mississippi	High Satisfactory	High Satisfactory	High Satisfactory	Satisfactory
Tennessee	High Satisfactory	High Satisfactory	High Satisfactory	Satisfactory

APPENDIX D – ASSESSMENT AREA TABLES

Alabama: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2022
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
AL NMSA	144	12,787	29.9	1,678	2.1	4.9	1.6	6.8	4.2	2.9	64.4	82.6	54.5	26.7	8.3	41.1	0.0	0.0	0.0
Birmingham	31	10,554	6.4	28,062	4.8	0.0	2.5	18.3	6.5	12.5	34.0	22.6	34.6	42.1	71.0	50.2	0.8	0.0	0.2
Decatur	59	8,908	12.2	4,708	0.7	0.0	0.4	10.4	15.3	10.7	64.5	69.5	64.4	24.3	15.3	24.5	0.0	0.0	0.0
Florence	67	13,217	13.9	4,959	2.0	0.0	1.3	14.7	25.4	16.8	59.2	62.7	60.6	23.7	10.4	21.0	0.3	1.5	0.3
Huntsville	106	22,684	22.0	17,711	7.6	14.2	6.1	14.7	16.0	13.6	32.1	28.3	36.9	45.6	41.5	43.4	0.1	0.0	0.1
Montgomery	55	10,287	11.4	8,130	5.3	7.3	1.2	21.4	7.3	16.3	41.7	45.5	39.8	31.3	38.2	42.6	0.2	1.8	0.1
Tuscaloosa	20	17,790	4.1	6,289	4.5	0.0	2.2	7.6	10.0	6.3	45.1	25.0	40.1	39.7	65.0	46.2	3.3	0.0	5.1
Total	482	96,228	100.0	71,537	4.7	5.4	3.0	15.9	11.8	12.6	40.9	55.8	40.5	37.8	26.6	43.3	0.7	0.4	0.6

Source: 2020 U.S. Census; 01/01/2022 - 12/31/2022 Bank Data, 2022 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

Alabama - Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2021
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
AL NMSA	80	7,006	20.1	1,129	0.0	0.0	0.0	9.0	0.0	8.9	70.9	83.8	69.4	20.1	16.3	21.6	0.0	0.0	0.0
Birmingham	32	4,949	8.0	23,644	8.1	9.4	7.7	20.0	18.8	17.3	25.0	21.9	23.7	45.3	50.0	50.4	1.5	0.0	0.9
Decatur	51	9,591	12.8	2,629	5.4	11.8	5.9	11.6	2.0	9.7	59.4	74.5	60.8	23.6	11.8	23.6	0.0	0.0	0.0
Florence	86	16,359	21.6	2,744	9.5	3.5	7.4	15.2	16.3	11.7	55.2	44.2	55.5	20.0	36.0	25.5	0.0	0.0	0.0
Huntsville	49	8,837	12.3	8,309	12.4	20.4	14.0	21.6	34.7	19.1	28.7	30.6	29.1	37.3	14.3	37.8	0.0	0.0	0.0
Montgomery	91	9,213	22.8	7,465	8.0	2.2	7.2	17.4	5.5	14.8	36.5	59.3	34.1	33.6	27.5	39.9	4.5	5.5	3.9
Tuscaloosa	10	3,578	2.5	4,590	1.4	0.0	1.3	24.6	20.0	23.7	37.7	70.0	35.9	33.7	10.0	38.3	2.7	0.0	0.9
Total	399	59,533	100.0	50,510	8.0	6.0	7.8	19.3	11.3	16.9	33.2	56.6	31.9	37.9	24.8	42.3	1.6	1.3	1.1

Source: 2021 D&B Data; 01/01/2021 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

Alabama: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower **2022**

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
AL NMSA	144	12,787	29.9	1,678	23.2	10.4	5.7	16.0	25.0	18.7	21.3	22.9	17.0	39.6	30.6	45.5	0.0	11.1	13.1
Birmingham	31	10,554	6.4	28,062	21.4	0.0	8.0	16.4	16.1	19.1	18.3	19.4	20.0	43.9	48.4	39.3	0.0	16.1	13.7
Decatur	59	8,908	12.2	4,708	22.0	8.5	6.7	16.6	13.6	18.2	21.2	13.6	21.9	40.1	61.0	35.7	0.0	3.4	17.5
Florence	67	13,217	13.9	4,959	20.6	6.0	7.0	18.6	14.9	16.6	21.4	16.4	20.2	39.3	47.8	37.0	0.0	14.9	19.2
Huntsville	106	22,684	22.0	17,711	23.0	3.8	7.1	15.4	18.9	16.6	18.4	14.2	21.4	43.1	45.3	38.0	0.0	17.9	16.9
Montgomery	55	10,287	11.4	8,130	23.4	1.8	7.9	16.4	7.3	20.0	18.7	7.3	21.6	41.5	52.7	35.3	0.0	30.9	15.3
Tuscaloosa	20	17,790	4.1	6,289	21.4	0.0	4.2	16.3	0.0	16.1	18.8	0.0	19.4	43.5	55.0	37.0	0.0	45.0	23.3
Total	482	96,228	100.0	71,537	22.0	6.0	7.2	16.4	17.2	18.1	19.0	16.0	20.5	42.6	44.6	38.1	0.0	16.2	16.1

Source: 2020 U.S. Census ; 01/01/2022 - 12/31/2022 Bank Data, 2022 HMDA Aggregate Data, "--" data not available.
 Due to rounding, totals may not equal 100.0%

Alabama: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2021
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
AL NMSA	80	7,006	20.1	1,129	81.3	51.3	36.6	4.5	10.0	14.2	38.8
Birmingham	32	4,949	8.0	23,644	83.3	50.0	41.4	5.7	40.6	11.0	9.4
Decatur	51	9,591	12.8	2,629	81.4	58.8	52.0	5.0	17.6	13.5	23.5
Florence	86	16,359	21.6	2,744	82.0	60.5	57.2	5.1	16.3	12.9	23.3
Huntsville	49	8,837	12.3	8,309	83.8	71.4	44.5	4.6	8.2	11.6	20.4
Montgomery	91	9,213	22.8	7,465	80.6	70.3	37.5	5.2	7.7	14.2	22.0
Tuscaloosa	10	3,578	2.5	4,590	83.0	40.0	42.4	5.3	40.0	11.7	20.0
Total	399	59,533	100.0	50,510	82.7	60.7	42.7	5.3	14.8	12.0	24.6

Source: 2021 D&B Data; 01/01/2021 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

Mississippi: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2022	
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	
MS NMSA	139	15,966	100.0	5,358	5.1	7.2	2.7	13.7	20.1	8.0	46.3	48.9	41.0	34.9	23.7	48.4	0.0	0.0	0.0	
Total	139	15,966	100.0	5,358	5.1	7.2	2.7	13.7	20.1	8.0	46.3	48.9	41.0	34.9	23.7	48.4	0.0	0.0	0.0	

Source: 2020 U.S. Census; 01/01/2022 - 12/31/2022 Bank Data, 2022 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

Mississippi: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2021	
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	
MS NMSA	132	9,903	100.0	5,994	6.0	14.4	5.1	21.1	18.9	17.8	42.1	53.8	43.2	30.6	12.9	33.7	0.2	0.0	0.2	
Total	132	9,903	100.0	5,994	6.0	14.4	5.1	21.1	18.9	17.8	42.1	53.8	43.2	30.6	12.9	33.7	0.2	0.0	0.2	

Source: 2021 D&B Data; 01/01/2021 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

Mississippi: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2022
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
MS NMSA	139	15,966	100.0	5,358	23.6	4.3	4.2	15.5	18.0	14.2	17.6	18.0	19.9	43.3	44.6	45.1	0.0	15.1	16.5
Total	139	15,966	100.0	5,358	23.6	4.3	4.2	15.5	18.0	14.2	17.6	18.0	19.9	43.3	44.6	45.1	0.0	15.1	16.5

Source: 2020 U.S. Census ; 01/01/2022 - 12/31/2022 Bank Data, 2022 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

Mississippi: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues												2021
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
MS NMSA	132	9,903	100.0	5,994	82.1	42.4	39.2	4.3	4.5	13.7	53.0	
Total	132	9,903	100.0	5,994	82.1	42.4	39.2	4.3	4.5	13.7	53.0	

Source: 2021 D&B Data; 01/01/2021 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

Tennessee: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2022		
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts				
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate		
Nashville	10	7,642	5.7	15,137	1.1	0.0	1.3	12.1	20.0	10.2	61.8	40.0	59.2	24.5	40.0	28.9	0.5	0.0	0.4		
TN NMSA	167	19,072	94.4	5,929	0.0	0.0	0.0	8.7	12.0	6.7	70.1	72.5	65.0	21.2	15.6	28.3	0.0	0.0	0.0		
Total	177	26,714	100.0	21,066	0.6	0.0	0.9	10.6	12.4	9.2	65.4	70.6	60.8	23.1	16.9	28.7	0.3	0.0	0.3		

Source: 2020 U.S. Census; 01/01/2022 - 12/31/2022 Bank Data, 2022 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

Tennessee: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2021		
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts				
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate		
Nashville	9	4,168	4.2	6,891	6.3	22.2	6.0	24.9	22.2	22.8	51.7	55.6	53.4	16.9	0.0	17.7	0.1	0.0	0.1		
TN NMSA	205	14,885	95.8	2,524	0.0	0.0	0.0	12.9	8.3	10.7	71.1	85.4	72.3	16.0	6.3	17.0	0.0	0.0	0.0		
Total	214	19,053	100.0	9,415	4.3	0.9	4.4	21.1	8.9	19.6	57.9	84.1	58.5	16.6	6.1	17.6	0.1	0.0	0.0		

Source: 2021 D&B Data; 01/01/2021 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

Tennessee: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower **2022**

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Nashville	10	7,642	5.7	15,137	19.0	0.0	7.6	20.0	0.0	22.4	24.0	20.0	24.3	37.0	20.0	28.5	0.0	60.0	17.2
TN NMSA	167	19,072	94.4	5,929	19.1	12.0	6.2	18.8	21.0	16.5	19.4	25.7	22.9	42.7	35.9	38.2	0.0	5.4	16.1
Total	177	26,714	100.0	21,066	19.0	11.3	7.2	19.5	19.8	20.7	22.2	25.4	23.9	39.2	35.0	31.3	0.0	8.5	16.9

Source: 2020 U.S. Census ; 01/01/2022 - 12/31/2022 Bank Data, 2022 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0

Tennessee: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues **2021**

Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Nashville	9	4,168	4.2	6,891	88.6	66.7	49.5	2.8	33.3	8.6	0.0
TN NMSA	205	14,885	95.8	2,524	83.2	38.5	41.6	4.0	7.8	12.8	53.7
Total	214	19,053	100.0	9,415	86.9	39.7	47.4	3.2	8.9	9.9	51.4

Source: 2021 D&B Data; 01/01/2021 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

APPENDIX E - GLOSSARY

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 metropolitan area/assessment area.

American Community Survey (ACS): A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

Combined Statistical Area (CSA): A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

Community Development: For loans, investments, and services to qualify as community development activities, their primary purpose must:

- (1) Support affordable housing for low- and moderate-income individuals;
- (2) Target community services toward low- and moderate-income individuals;
- (3) Promote economic development by financing small businesses or farms; or
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type of investments in community development projects. Bank CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Bank CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

Community Development Loan: A loan that:

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose bank:
 - (i) Has not been reported or collected by the bank or an affiliate for consideration in the bank's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
 - (ii) Benefits the bank's assessment area(s) or a broader statewide or regional area including the bank's assessment area(s).

Community Development Service: A service that:

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the bank's retail banking services under § 345.24(d).

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.

Core Based Statistical Area (CBSA): The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

Distressed Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

- (1) An unemployment rate of at least 1.5 times the national average;
- (2) A poverty rate of 20 percent or more; or
- (3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

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. Other family 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).

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

Home Mortgage Loans: Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Limited-Scope Review: A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area.

Performance under applicable tests is often analyzed using only quantitative factors (for example, geographic distribution, borrower profile, 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.

Low Income Housing Tax Credit: The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

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 metropolitan area/assessment area.

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

Micropolitan Statistical Area: CBSA associated with at least one urbanized area having a population of at least 10,000, but less than 50,000.

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 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 and less than 80 percent in the case of a geography.

Multi-family: Refers to a residential structure that contains five or more units.

Nonmetropolitan Area (also known as non-MSA): All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

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 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.

Rural Area: Territories, populations, and housing units that are not classified as urban.

Small Business Investment Company (SBIC): SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

Small Business Loan: A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: 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, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

Underserved Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating the area’s population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

Upper-Income: Individual income that is 120 percent or more of the area median income, or a median family income that is 120 percent or more in the case of a geography.

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

“Urban” excludes the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.