

# **PUBLIC DISCLOSURE**

January 8, 2018

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

BankPlus  
Certificate Number: 5903

202 Jackson Street  
Belzoni, Mississippi 39038

Federal Deposit Insurance Corporation  
Division of Depositor and Consumer Protection  
Dallas Region – Memphis Area Office

6060 Primacy Parkway, Suite 300  
Memphis, Tennessee 38119

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 COMMUNITY REINVESTMENT ACT (CRA) RATING:** This institution is rated **Outstanding**. An institution in this group has an outstanding record of helping to meet the credit needs of its assessment areas, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

The following table indicates the performance level of **BankPlus** with respect to the Lending, Investment, and Service Tests.

PERFORMANCE LEVELS	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding	X	X	
High Satisfactory			X
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

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

### **The Lending Test is rated Outstanding.**

- Lending levels reflect excellent 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 adequate penetration throughout the assessment areas.
- The distribution of borrowers reflects, given the product lines offered by the institution, adequate penetration among retail customers of different income levels and business customers of different sizes.
- The institution is a leader in making community development loans.
- The institution makes extensive use of innovative and flexible lending practices in order to serve assessment areas' credit needs.

### **The Investment Test is rated Outstanding.**

- The institution has an excellent level of qualified community development investments and grants, occasionally in a leadership position.
- The institution exhibits excellent 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 readily accessible to all portions of the institution's assessment areas.
- The institution's record of opening and closing of 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.
- Services, including business hours, do not vary in a way that inconveniences certain portions of the assessment areas, particularly low- and moderate- income geographies and/or individuals.
- The institution provides a relatively high level of community development services.

## SCOPE OF EVALUATION

### ***General Information***

This evaluation covers the time period from November 3, 2014, to January 8, 2018, the date of the previous evaluation to the current evaluation's date. To assess performance, examiners applied the Federal Financial Institutions Examination Council (FFIEC) Large Institution CRA Examination Procedures, which include the Lending, Investment, and Service Tests. Appendix C lists the applicable tests' criteria.

### ***Full-Scope Assessment Areas***

During the review period, BankPlus operated in seven separate assessment areas all in the State of Mississippi, as more fully described under Description of Assessment Areas. For the purpose of this evaluation, as allowed in outstanding guidance, examiners combined the four nonmetropolitan (Non-MSA) assessment areas (AA) for analysis and presentation purposes. As such, conclusions were drawn on four separate assessment areas.

Examiners applied full-scope procedures to the Jackson Metropolitan Statistical Area (MSA) AA after contemplating all considerations in outstanding guidance, including the level of activity in each assessment area. They also applied full-scope procedures to the combined Non-MSA AA since this area changed from the previous evaluation to include a portion of Lee County. These two AAs accounted for a high concentration of the institution's lending, investment, and service activities, contained a substantial majority of the bank's offices, and generated 94.6 percent of the bank's deposits. Limited-scope procedures were applied to the Gulfport-Biloxi-Pascagoula, MS MSA (Gulfport MSA AA) and the Memphis, MS MSA AA (Memphis MSA AA).

### **Lending Test**

#### ***Loan Products Reviewed***

CRA Large Bank procedures require examiners to consider a bank's reported home mortgage, small business, and small farm loans for the previous 24 to 36 months, as well as all reported community development loans granted since the prior evaluation.

Based on the reported loan data considering both the number and dollar amount of loans originated in 2015, 2016, and year-to-date through September 30, 2017, home mortgage loans represented the largest loan product for the bank by both dollar volume and number, followed by small business loans, and finally small farm loans. Consumer loans do not represent a substantial majority of the bank's loans by dollar volume, and management did not report any consumer loan information, therefore, examiners did not consider them. In addition, this evaluation does not consider any affiliate lending.

This evaluation considered the following loans reported either according to Home Mortgage Disclosure Act (HMDA) or CRA data collection reporting requirements for 2015 and 2016 and year-to-date 2017 collected information:

Home Mortgage Loans:

2015: 1,988 loans totaling \$318,536,000  
 2016: 2,115 loans totaling \$334,298,000  
 2017: 1,503 loans totaling \$238,742,000

Small Business Loans:

2015: 1,587 loans totaling \$132,180,000  
 2016: 1,548 loans totaling \$133,084,000  
 2017: 1,327 loans totaling \$114,264,000

Small Farm Loans:

2015: 585 loans totaling \$45,459,000  
 2016: 535 loans totaling \$43,746,000  
 2017: 525 loans totaling \$42,954,000

Community Development Loans:

November 4, 2014, to January 8, 2018: 101 loans totaling \$179,981,000

***Loan Product Weighting***

When weighing the loan categories' effect on conclusions, examiners considered the bank's reported home mortgage, small business and small farm loans. Given the lack of anomalies between the three years' data considered, examiners focused on 2016, which is the most recent year for which aggregate HMDA and CRA data exists as of this evaluation.

The following table shows that the lending emphasis of reviewed loans reflects a predominant focus on home mortgage loans. The 2016 data reflects a relatively similar pattern as the other years considered. As reflected below and in Table 1 in Appendix D home mortgage lending comprised the highest percentage by both number and dollar volume for all of the assessment areas. Therefore, home mortgage loans received heavier weighting when arriving at applicable conclusions.

<b>Loan Product Weighting</b>				
<b>Loan Product Reviewed</b>	<b>Universes of Loans Reviewed</b>			
	<b>\$(000)</b>	<b>%</b>	<b>#</b>	<b>%</b>
Home Mortgage	334,298	65.4	2,115	50.4
Small Business	133,084	26.0	1,548	36.9
Small Farm	43,746	8.6	535	12.7
<b>Total Reviewed Categories</b>	<b>511,128</b>	<b>100.0</b>	<b>4,198</b>	<b>100.0</b>

Source: HMDA data (2016); CRA data (2016).

### ***Assessment Area Weighting***

The following table shows the distribution of lending activity by assessment area based on the number and dollar volume of HMDA loans, and all small business and small farm loans reported according to CRA data collection requirements. As seen in the following table, the bank generated the highest percentages by number and dollar volume in the Jackson MSA AA. Consequently examiners weighted this assessment area more heavily when analyzing home mortgage, small business and small farm loans and in arriving at overall rating. Examiners weighed each assessment area consistent with that area's lending level when arriving at bank-wide conclusions and rating.

<b>Assessment Area Distributions</b>				
<b>Assessment Area</b>	<b>Loans (% of #)</b>	<b>Loans (% of \$)</b>	<b>Deposits (% of \$)</b>	<b>Offices (% of #)</b>
Gulfport MSA AA	0.3	3.7	0.0	0.0 <sup>1</sup>
Jackson MSA AA	63.1	76.3	70.8	55.4
Memphis MSA AA	5.8	4.8	5.4	10.7
Non- MSA AA	30.8	15.2	23.8	33.9
<b>Totals</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<i>Source: HMDA &amp; CRA data (2016); Summary of Deposits (6/30/17);and Bank Records</i>				

### **Investment and Service Tests**

The scope for the Investment and Service Tests includes all current period qualified investments and community development services; those generated since the previous November 3, 2014, FDIC CRA Performance Evaluation. As noted, this is same time period for community development loans considered under the Lending Test. The Investment Test's scope further encompasses all prior period qualified investments, including those purchased prior to the previous evaluation, but still outstanding as of this evaluation date.

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<sup>1</sup> The D'Iberville Branch located in the Gulfport MSA closed during November 2016; therefore; the bank's office percentage as the date of the evaluation is 0.0 percent.

## DESCRIPTION OF INSTITUTION

### **Background**

BankPlus began operations on January 1, 1909, in Belzoni, Mississippi. Bancplus Corporation of Ridgeland, Mississippi, a single-bank holding company, wholly owns the bank. The bank owns several subsidiaries: BankPlus Insurance Agency, Inc., BankPlus Wealth Management, LLC, Gooden Lake Catfish, LLC, and Wellness Plus, Inc. The institution received an “Outstanding” rating at the prior November 3, 2014, FDIC Performance Evaluation based on FFIEC Large Institution CRA Examination Procedures.

### **Operations**

As of January 8, 2018, BankPlus functions as a retail bank that operates 56 offices in six<sup>2</sup> assessment areas throughout Mississippi. Since the previous evaluation, the bank opened three offices and closed three offices. The bank did not participate in any merger or acquisition activity since the prior evaluation.

The bank offers a full-line of loan products, including commercial, residential, agricultural, and consumer. The bank also offers a variety of deposit services, including remote deposit capture, telephone banking, internet banking, and mobile banking services. Branch locations offer extended lobby hours and the bank maintained banking hours typical for the areas served and the industry. In addition to drive-thru facilities, the bank owns and operates 90 automated teller machines (ATMs).

### **Ability and Capacity**

The following table shows that Net Loans & Leases represented the largest percentage of the bank’s total assets as reported in the September 30, 2017, Report of Condition. For the 12 quarters since the previous evaluation, the bank recorded an average, net loan-to-deposit ratio of 77.2 percent.

Since the last evaluation, on average per year, total assets increased 4.7 percent, net loans increased 14.7 percent, and total deposits increased 4.2 percent. As of September 30, 2017, the bank reported a Return on Average Assets of 1.0 percent and a Tier 1 Leverage Capital Ratio of 9.5 percent. The institution also reported total deposits of \$2,128,480,000 as of September 30, 2017. The following table shows the asset distribution for the institution.

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<sup>2</sup> During November 2016, the D’Iberville Branch closed and the four census tracts within Harrison County (Gulfport-Biloxi MSA) were removed from the bank’s 2017 assessment area.



<b>Asset Distribution</b>		
<b>Asset Category</b>	<b>Dollar Amount \$(000)</b>	<b>Percent of Total Assets (%)</b>
Cash	72,489	2.7
Securities	566,130	20.8
Net Loans & Leases	1,880,952	69.2
Premises & Fixed Assets	75,202	2.8
Other Real Estate Owned	23,288	0.9
Intangible Assets	3,442	0.1
Other Assets	96,581	3.5
<b>Total Assets</b>	<b>2,718,084</b>	<b>100.0</b>

*Source: Report of Condition (09/30/2017) Due to rounding, totals may not equal 100.0*

The mix of outstanding loans as of September 30, 2017, shown in the following table, reflects a lending focus on commercial loans which differs from lending focus reflected under the Scope Section of this evaluation. For purposes of CRA evaluations, the Lending Test focuses the analysis on reported loan categories which consist of home mortgage, small business, and small farm loans as well as community development loans. These loan categories are defined in the Glossary of this evaluation.

<b>Loans Outstanding</b>		
<b>Loan Type</b>	<b>Dollar Amount \$(000)</b>	<b>Percent of Gross Loans (%)</b>
Construction and Land Development	136,713	7.2
Secured by Farmland	148,905	7.8
1-4 Family Residential	551,073	29.0
Multi-Family Residential	43,375	2.3
Commercial Real Estate	584,082	30.8
<b>Total Real Estate</b>	<b>1,464,148</b>	<b>77.1</b>
Agricultural Production	76,056	4.0
Commercial and Industrial	294,261	15.5
Consumer Purpose	58,954	3.1
Other Loans	5,567	0.3
<b>Gross Loans</b>	<b>1,898,986</b>	<b>100.0</b>

*Source: Report of Condition (09/30/2017).*

Based on the information discussed in this section as well as other regulatory data, the institution's financial condition, size, product offerings, prior performance, and status of any legal impediments did not affect its ability to meet its assessment areas' credit needs.

## DESCRIPTION OF ASSESSMENT AREAS

### *Overall Description*

BankPlus delineated seven assessment areas: 1) East Non-MSA AA; 2) Jackson MSA AA; 3) Lee Non-MSA AA; 4) Memphis MSA AA; 5) Gulfport MSA AA; 6) Northwest Non-MSA AA; and 7) Pearl River Non-MSA. As previously noted, this evaluation combines the four nonmetropolitan areas for presentation and analysis purposes resulting in conclusions being drawn of only four total assessment areas. The nonmetropolitan areas will be discussed both separately and combined under this section of the performance evaluation.

Prior to 2017 and based upon the 2010 Census, the assessment areas contained 213 total census tracts with the following income designations: 23 low-, 35 moderate-, 89 middle-, 65 upper-income tracts, and 1 tract with no income designation. As of 2017, the assessment area contained 209 total census tracts with the following income designations based upon the 2015 ACS US Census: 22 low-, 51 moderate-, 71 middle-, 63 upper-income tracts, and 2 tracts with no income designation. All of the bank's assessment areas conform to CRA regulatory requirements. The following headings describe each of the seven separate assessment areas and the combined Non-MSA AA (used for conclusions).

### **Gulfport-Biloxi-Pascagoula, MS MSA AA**

The "Gulfport MSA AA" consists of 4 of the 19 census tracts in Harrison County, which is one of the three counties that comprise the Gulfport-Biloxi-Pascagoula, MS MSA. This assessment area is located in Southwest Mississippi. The income designations as of the 2010 Census include: 2 middle-, and 2 upper-income census tracts.

In November of 2016, the bank closed the D'Iberville branch which no longer warranted the delineation of this assessment area. However, prior to the closing, and during this performance evaluation's review period, the office maintained hours consistent with the area and the industry.

As previously noted, this assessment area generated only 0.3 percent of the dollar volume of loans reviewed in 2016. Examiners applied limited-scope procedures to this area.

### ***Demographic and Economic Data***

As of the 2010 Census, the Gulfport MSA AA contained a population of 28,001, and 7,759 families, of which 13.1 percent were reported as low-income, 14.1 percent were reported as moderate-income, 20.7 percent were reported as middle-income, and 52.1 percent were reported as upper-income. Based on the FFIEC 2016 median family income of \$52,600, 6.7 percent of the area's families reported incomes below the poverty level.

Major employers in the area include: Keesler Air Force Base, NASA Stennis Space Center, and the Naval Construction Battalion Center. The December 2017 unemployment rate of 4.2 percent for Harrison County was lower than the statewide unemployment rate of 4.5 percent and higher than the national unemployment rate of 3.9 percent.

D&B data showed that 81.5 percent of this assessment area's non-farm businesses reported gross annual revenues of \$1 million or less. Service providers at 43.9 percent and retail establishments at 14.9 percent primarily drove the area's economy.

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

The Jackson MSA AA consists of the 118 census tracts located within Hinds, Madison, Rankin, and Yazoo Counties, which are four of the six counties that comprise the Jackson MSA AA. This assessment area is located in Central Mississippi. The following income designations as of the 2010 Census include: 21 low-, 21 moderate-, 43 middle-, and 33 upper-income census tracts. As of the 2015 ACS Census, this area's income designations were as follows: 18 low-, 31 moderate-, 34 middle-, 34 upper-income, and 1 census tract without an income designation.

The bank operated 31 full-service offices in the Jackson MSA AA. Each of the offices maintained hours consistent with the area and the industry. The bank closed and opened one office in this area, neither in a low- or moderate- income geography. The bank's delivery systems and range of products and services remained consistent with those reflected in the Description of the Institution section of this Performance Evaluation.

As previously noted this assessment area generated 63.1 percent of the reviewed loans in 2016, garnered 70.8 percent of deposits as of June 30, 2017, and 55.4 percent of the institution's offices were located in this area. Examiners applied full-scope procedures to this area.

### ***Economic and Demographic Data***

As of the 2010 Census, the Jackson MSA AA contained a population of 510,170, and 125,238 families, of which 23.3 percent were reported as low-income, 15.8 percent were reported as moderate-income, 17.9 percent were reported as middle-income, and 43.0 percent were reported as upper-income. Based on the FFIEC 2016 median family income of \$55,200, 13.9 percent of the area's families reported incomes below the poverty level.

Major employers in the area include the University of Mississippi Medical Center, Nissan North American, and Baptist Health Systems, Inc. The counties in the Jackson MSA, namely Hinds, Madison, Rankin, and Yazoo, posted December 2017 unemployment rates of 4.2 percent, 3.4 percent, 3.4 percent, and 3.2 percent respectively. The unemployment rates for this assessment area were lower than the statewide unemployment rate of 4.5 percent, and with the exception of Hinds County, lower than the national unemployment rate of 3.9 percent.

D&B data showed that 82.0 percent of this assessment area's non-farm businesses reported gross annual revenues of \$1 million or less. Service providers at 45.9 percent and non-classifiable establishments at 12.5 percent primarily drove the area's economy.

The following table provides additional demographic and economic data for the area.

Demographic Information of the Assessment Area						
Assessment Area: Jackson MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	118	17.8	17.8	36.4	28.0	0.0
Population by Geography	510,170	12.3	14.7	41.8	31.2	0.0
Housing Units by Geography	205,994	12.6	15.1	41.1	31.1	0.0
Owner-Occupied Units by Geography	122,723	6.7	12.1	42.7	38.5	0.0
Occupied Rental Units by Geography	60,600	21.6	17.8	40.4	20.2	0.0
Vacant Units by Geography	22,671	21.1	24.4	34.6	19.8	0.0
Businesses by Geography	36,544	12.2	11.1	40.2	36.6	0.0
Farms by Geography	1,117	4.5	10.8	48.0	36.7	0.0
Family Distribution by Income Level	125,238	23.3	15.8	17.9	43.0	0.0
Household Distribution by Income Level	183,323	24.7	15.3	16.5	43.5	0.0
Median Family Income MSA – (2010)		\$54,643	Median Housing Value			\$127,550
Median Family Income MSA – (2016)		\$55,200				
			Median Gross Rent			\$756
			Families Below Poverty Level			13.9%
<i>Source: 2010 U.S. Census and 2016 D&amp;B Data 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>						

Examiners used the applicable FFIEC updated median family income (MFI) to analyze home mortgage loans under the borrower profile performance factor. The following table shows the calculated income ranges, based on the 2016 MFI of \$55,200, applicable to the Jackson MSA AA.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
<b>Jackson, MS MSA Median Family Income (27140)</b>				
2016 (\$55,200)	<\$27,600	\$27,600 to <\$44,160	\$44,160 to <\$66,240	≥\$66,240
<i>Source: FFIEC</i>				

### **Competition**

The Jackson MSA AA contains a high level of competition from other chartered banks based on its population, with each of the 205 offices. BankPlus ranked 3<sup>rd</sup> in deposit market share by capturing 11.8 percent of the area’s deposits, as of June 30, 2017, based on FDIC Deposit Market

Share report. In addition, some credit unions, finance companies, pawn shops, and mortgage companies also provide financing in the area.

Another means of determining the competition level involves reviewing home mortgage data reported according to the HMDA. In 2016, 303 lenders reported a total of 23,002 home mortgage loans in the area totaling over \$3.9 billion. BankPlus ranked 3<sup>rd</sup> out of this group of lenders, with a market share of 7.1 percent by dollar amount and 7.2 percent by number.

In addition, reviewing small business loans reported according to CRA Data Collection requirements also provides a means of determining the competition level. In 2016, 92 lenders reported a total of 9,847 small business loans in the area totaling over \$553.9 million. BankPlus ranked 3<sup>rd</sup> out of this group of lenders, with a market share of 13.2 percent by dollar amount and 8.1 percent by number.

Finally, reviewing small farm loans reported according to CRA Data Collection requirements also provides a means of determining the competition level. In 2016, 19 lenders reported a total of 370 small farm loans in the area totaling over \$25.0 million. BankPlus ranked 1<sup>st</sup> out of this group of lenders, with a market share of 62.2 percent by dollar amount and 52.4 percent by number.

### ***Community Contact***

Examiners used an existing community contact to help assess the current economic conditions, community credit needs, and potential opportunities for bank involvement in the assessment area. The contact stated the economy in the area is improving. The contact identified financial education focusing on entrepreneurship and small business loans as a potential credit need. Overall, the contact indicated that financial institutions are responsive to the credit needs.

### ***Credit and Community Development Needs and Opportunities***

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that small business loans represent a primary credit need for the assessment area. Small business loans, particularly those for start-up businesses, are in high demand. The significant percentage of businesses with GARs of \$1 million or less, and the large number of businesses with four or fewer employees, supports this conclusion. Further, it was noted that community development opportunities regarding community services target to low- and moderate-income individuals and areas, along with economic development initiatives are needed throughout the assessment areas.

### **Memphis, MSA AA**

The Memphis MSA AA consists of all of Desoto County, Mississippi, which is 1 of the 10 counties that comprise the Memphis, MSA. This assessment area is located in Northern Mississippi and borders Tennessee. The bank does not have any offices located in the State of Tennessee. This assessment area contains 33 census tracts with the following income designations as of the 2010 Census: 2 moderate-, 19 middle-, and 12 upper-income census tracts. As of the 2015 ACS Census: this area's census tracts income designations were as follows: 4 moderate-, 18 middle-, and 11 upper-income census tracts.

As previously noted this assessment area generated 5.8 percent of the reviewed loans in 2016, contained 5.4 percent of deposits as of June 30, 2017, and 10.7 percent of offices were located in this area. Examiners applied limited-scope procedures to this assessment area.

The bank operated six full-service offices in the Memphis MSA AA, four are located in middle-income tracts, and 2 in upper-income tracts. Each of the offices maintained hours consistent with the area and the industry. The bank closed one office in this area in a middle-income geography and no offices were opened during the review period. The bank's delivery systems and range of products and services remained consistent with those reflected in the Description of the Institution section of this Performance Evaluation.

### ***Economic and Demographic Data***

As of the 2010 Census, the Memphis MSA AA contained a population of 1,612,522, and 42,788 families, of which 14.9 percent were reported as low-income, 14.4 percent were reported as moderate-income, 21.0 percent were reported as middle-income, and 49.7 percent were reported as upper-income. Based on the FFIEC 2016 median family income of \$59,100, 7.6 percent of the area's families reported incomes below the poverty level.

Major employers in the assessment area include: DeSoto County Schools, Baptist Memorial Hospital, and Williams-Sonoma. The December 2017 unemployment rate of 3.3 percent was lower than both the statewide unemployment rate of 4.5 percent and the national unemployment rate of 3.9 percent.

D&B data showed that 81.9 percent of this assessment area's non-farm businesses reported gross annual revenues of \$1 million or less. Service providers at 39.8 percent and retail trade at 14.8 percent primarily drove the area's economy.

### **Non-MSA Assessment Areas**

#### **East Non-MSA AA**

The East Non-MSA AA consists of the following four counties: Clarke, Lauderdale, Newton, and Wayne all located in Central Mississippi. The assessment area contains 32 census tracts with the following income designations as of the 2010 Census: 2 low-, 5 moderate-, 14 middle-, and 11 upper-income tracts. As of the 2015 ACS Census, this area's income designations were as follows: 3 low-, 7 moderate-, 11 middle-, and 11 upper-income tracts. Throughout this evaluation period, all middle-income census tracts were designated as distressed due to high poverty levels.

The bank operated eight full-service offices in the East Non-MSA AA. One office was located in a moderate-income census tract, six offices in middle-income tracts, and 1 office in an upper-income tract. Each of the offices maintained hours consistent with the area and the industry. The bank did not open or close any offices in this area. The bank's delivery systems and range of products and services remained consistent with those reflected in the Description of the Institution section of this Performance Evaluation.

### ***Economic and Demographic Data***

As of the 2010 Census, the East-Non MSA AA contained a population of 139,460, and 37,586 families, of which 6.2 percent were reported as low-income, 12.6 percent were reported as moderate-income, 43.7 percent were reported as middle-income, and 37.5 percent were reported as upper-income. Based on the FFIEC 2016 median family income of \$42,900, 18.4 percent of the area's families reported incomes below the poverty level.

Major employers in the area include the Naval Air Station Meridian, Rush Hospital, and East Mississippi State Hospital. The counties in the East Non-MSA AA, namely Clarke, Lauderdale, Newton, and Wayne, posted December 2017 unemployment rates of 5.6 percent, 4.8 percent, 5.0 percent, and 5.3 percent respectively. The unemployment rates for the aforementioned counties were higher than the statewide unemployment rate of 4.5 percent and the national unemployment rate of 3.9 percent.

D&B data showed that 78.7 percent of this assessment area's non-farm businesses reported gross annual revenues of \$1 million or less. Service providers at 42.6 percent and retail establishments at 14.2 percent primarily drove the area's economy. This AA is a part of the combined Non-MSA AA that received a full-scope review.

### **Lee Non-MSA AA**

The Lee Non-MSA AA consists of 9 of the 19 census tracts that comprise Lee County located in Northern Mississippi. The census tract income designations as of the 2010 Census include: 5 middle-, 3 upper-income, and 1 census tract without an income designation. As of the 2015 ACS Census, this area's income designations were as follows: 1 moderate-, 3 middle-, 4 upper-income, and 1 census tract without an income designation. This assessment area is new since the previous evaluation due to opening of two offices in this county. No offices were closed in this area during the review period.

This AA is a part of the combined Non-MSA AA that received a full-scope review. The bank operated two full-service offices in the Lee Non-MSA AA, both located in middle-income tracts. Each of the offices maintained hours consistent with the area and the industry. The bank's delivery systems and range of products and services remained consistent with those reflected in the Description of the Institution section of this Performance Evaluation.

### ***Economic and Demographic Data***

As of the 2010 Census, the Lee Non-MSA AA contained a population of 35,178, and 9,480 families, of which 20.6 percent were reported as low-income, 13.4 percent were reported as moderate-income, 14.3 percent were reported as middle-income, and 51.7 percent were reported as upper-income. Based on the FFIEC 2016 median family income of \$42,900, 17.2 percent of the area's families reported incomes below the poverty level.

Major employers in the area include: North Mississippi Health Services, Cooper Tire and Rubber Company, and Lane Furniture. Lee County's December 2017 unemployment rate of 3.4 percent was lower than both the statewide unemployment rate of 4.5 percent and the national unemployment rate of 3.9 percent.

D&B data showed that 72.7 percent of this assessment area's non-farm businesses reported gross annual revenues of \$1 million or less. Service providers at 42.8 percent and retail trade at 18.0 percent primarily drove the area's economy.

### **Northwest Non-MSA**

The Northwest Non-MSA AA consists of all of Holmes and Humphrey Counties. The assessment area contains eight census tracts and carried the following income designations as of the 2010 Census: 7 moderate-, and 1 middle-income census tract. As of the 2015 ACS Census: this area's income designations were as follows: 1 low- and 7 moderate-income census tracts.

This assessment area is a part of the combined Non-MSA AAs that received a full-scope review.

The bank operated six full-service offices in the Northwest Non-MSA AA all of which are located in moderate-income tracts. Each of the offices maintained hours consistent with the area and the industry. No offices were opened or closed in this assessment area. The bank's delivery systems and range of products and services remained consistent with those reflected in the Description of the Institution section of this Performance Evaluation.

### ***Economic and Demographic Data***

As of the 2010 Census, the Northwest Non-MSA AA contained a population of 28,573, and 6,609 families, of which 36.7 percent were reported as low-income, 21.0 percent were reported as moderate-income, 15.1 percent were reported as middle-income, and 27.2 percent were reported as upper-income. Based on the FFIEC 2016 median family income of \$42,900, 7.6 percent of the area's families reported incomes below the poverty level.

Major employers in the Northwest Non-MSA AA include": Consolidated Catfish Co., Freshwater Farm Products, LLC, and Holmes County School District. The December 2017 unemployment rates of 8.5 percent for Holmes County and 8.2 percent for Humphrey County are significantly higher than both the statewide unemployment rate of 4.5 percent and the national unemployment rate of 3.9 percent.

D&B data showed that 75.5 percent of this assessment area's non-farm businesses reported gross annual revenues of \$1 million or less. Service providers at 37.3 percent and non-classifiable establishments at 17.4 percent primarily drove the area's economy.

### **Pearl River Non-MSA**

The Pearl River Non-MSA AA consists of all of Pearl River County located in Southwest Mississippi. The assessment area contains nine census tracts that carried the following income designations as of the 2010 Census: 5 middle-, and 4 upper-income census tracts. As of the 2015 ACS Census, this area's income designations were as follows: 1 moderate-, 5 middle-, and 3 upper-income tract.

As previously noted this assessment area generated 3.2 percent of the reviewed loans in 2016 and 4.2 percent of deposits as of June 30, 2017. This assessment area is a part of the Combine Non-MSA AAs that received a full-scope review.



The bank operated three full-service offices in the Pearl River Non-MSA AA, all located in middle-income tracts. No offices opened or closed in this assessment area since previous evaluation. Each of the offices maintained hours consistent with the area and the industry. The bank's delivery systems and range of products and services remained consistent with those reflected in the Description of the Institution section of this Performance Evaluation.

### ***Economic and Demographic Data***

As of the 2010 Census, the Pearl River Non-MSA AA contained a population of 55,834, and 15,133 families, of which 18.9 percent were reported as low-income, 14.6 percent were reported as moderate-income, 16.9 percent were reported as middle-income, and 49.6 percent were reported as upper-income. Based on the FFIEC 2016 median family income of \$42,900, 19.5 percent of the area's families reported incomes below the poverty level.

Major employers in the Pearl River Non-MSA include: Stennis Space Center, Pearl River Community College, and Pearl River County School District. The December 2017 unemployment rate of 4.5 percent for Pearl River County is consistent with the statewide unemployment rate of 4.5 percent and slightly higher than the national unemployment rate of 3.9 percent.

D&B data showed that 85.6 percent of this assessment area's non-farm businesses reported gross annual revenues of \$1 million or less. Service providers at 44.6 percent and non-classifiable establishments at 14.4 percent primarily drove the area's economy.

### **Combined Non-MSA AAs**

The combined Non-MSA AA consist of the four non-contiguous assessment areas previously discussed that are dispersed throughout Central, Northern, and Southwest Mississippi. The total assessment area contains 58 census tracts with the following income designations as of the 2010 Census: 18 low-, 25 moderate-, 12 middle-, 2 upper-, and 1 census tract without an income designation. Although combined for the purpose of the evaluation, the individual assessment areas are:

- 1) East Non-MSA AA, consisting of the following contiguous area:
  - a. All 4 census tracts in Clarke County,
  - b. All 19 census tracts in Lauderdale County,
  - c. All 5 census tracts in Newton County, and
  - d. All 4 census tracts in Wayne County;
- 2) Lee County Non-MSA AA, consisting of 9 of the 19 total census tracts in Lee County;
- 3) Northwest Non-MSA AA, consisting of the following contiguous areas:
  - a. All 5 census tracts in Holmes County, and
  - b. All 3 census tracts in Humphreys County; and
- 4) Pearl River County Non-MSA AA, consisting of all 9 census tracts in Pearl River County.

The combined assessment areas generated 30.8 percent of the reviewed loans in 2016 and accounted for 23.8 percent of deposits as of June 30, 2017. The combined area contained 19 full-service offices. Examiners applied full-scope procedures to this combined assessment area.

**Economic and Demographic Data**

As of the 2010 Census, the combined Non-MSA AA contained a population of 259,045, and 68,808 families, of which 23.4 percent were reported as low-income, 16.3 percent were reported as moderate-income, 15.9 percent were reported as middle-income, and 44.4 percent were reported as upper-income. Based on the FFIEC 2016 median family income of \$42,900, 19.5 percent of the area’s families reported incomes below the poverty level.

Major employers in the Non-MSA AAs are Consolidated Catfish Co., Freshwater Farm Products, LLC, Cooper Tire and Rubber Company, and Stennis Space Center. The December 2017 unemployment rates for the 8 counties within this assessment area are: 5.6 percent for Clarke County, 8.5 percent for Holmes County, 8.2 percent for Humphrey County, 4.8 percent for Lauderdale County, 3.4 percent for Lee County, 5.0 percent for Newton County, 4.5 percent for Pearl River County, and 5.4 percent for Wayne County. Lee and Pearl River Counties were the only two counties with unemployment rates equal to or lower than the statewide and national unemployment rates at 4.5 percent and 3.9 percent, respectively.

D&B data showed that 78.4 percent of this assessment area’s non-farm businesses reported gross annual revenues of \$1 million or less. Service providers at 42.6 percent, retail at 14.6 percent, and non-classifiable establishments at 14.1 percent primarily drove the area’s economy. The following table provides additional demographic and economic data for the area.

Demographic Information of the Assessment Area						
Assessment Area: Non-MSAs						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	58	3.4	20.7	43.1	31.0	1.7
Population by Geography	259,045	3.3	17.3	42.8	36.7	0.0
Housing Units by Geography	112,803	3.8	17.2	44.3	34.7	0.0
Owner-Occupied Units by Geography	70,277	2.0	15.4	42.4	40.2	0.0
Occupied Rental Units by Geography	27,622	7.8	19.9	49.2	23.1	0.0
Vacant Units by Geography	14,904	5.0	20.2	44.0	30.7	0.0
Businesses by Geography	15,206	3.4	15.0	51.4	30.0	0.2
Farms by Geography	550	0.7	24.5	44.9	29.8	0.0
Family Distribution by Income Level	68,808	23.4	16.3	15.9	44.4	0.0
Household Distribution by Income Level	97,899	24.4	15.9	15.0	44.7	0.0
MFI Non-MSAs – (2010) MFI (2016)		\$40,980 \$42,900	Median Housing Value			\$91,743
			Median Gross Rent			\$568
			Families Below Poverty Level			19.5%

*Source: 2010 U.S. Census and 2016 D&B Data Due to rounding, totals may not equal 100.0  
 (\*) The NA category consists of geographies that have not been assigned an income classification.*

Examiners used the applicable FFIEC-updated 2016 MFIs to analyze home mortgage loans under the Borrower Profile Distribution performance factor. The following table shows the calculated income ranges, based on the MFI of \$42,900, applicable to the Non-MSA AAs.

<b>Median Family Income Ranges</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
<b>MS NA Median Family Income (99999)</b>				
2016 (\$42,900)	<\$21,450	\$21,450 to <\$34,320	\$34,320 to <\$51,480	≥\$51,480
<i>Source: FFIEC</i>				

### ***Competition***

The Non-MSA AAs contain a high level of competition from other chartered banks based on its population, with each of the 133 offices. BankPlus ranked 4<sup>th</sup> in deposit market share by capturing 8.9 percent of the area’s deposits, as of June 30, 2017, based on FDIC Deposit Market Share report. In addition, some credit unions, finance companies, pawn shops, and mortgage companies also provide financing in the area.

Another means of determining the competition level involves reviewing home mortgage data reported according to the HMDA. In 2016, 240 lenders reported a total of 7,542 home mortgage loans in the area totaling over \$378.6 million. BankPlus ranked 1<sup>st</sup> out of this group of lenders, with a market share of 5.5 percent by dollar amount and 8.5 percent by number.

In addition, reviewing small business loans reported according to CRA Data Collection requirements also provides a means of determining the competition level. In 2016, 73 lenders reported a total of 4,178 small business loans in the area totaling over \$203.6 million. BankPlus ranked 2<sup>nd</sup> out of this group of lenders, with a market share of 2.6 percent by dollar amount and 14.3 percent by number.

Finally, reviewing small farm loans reported according to CRA Data Collection requirements also provides a means of determining the competition level. In 2016, 17 lenders reported a total of 380 small farm loans in the area totaling over \$24.5 million. BankPlus ranked 1<sup>st</sup> out of this group of lenders, with a market share of 79.9 percent by dollar amount and 66.6 percent by number.

### ***Community Contact***

Examiners used an existing community contact to help assess the current economic conditions, community credit needs, and potential opportunities for bank involvement in the assessment area. The contact stated the economy in the area remains steady. The contact identified assisted living facilities as a potential credit need for the area due to the aging population. Overall, the contact indicated that financial institutions are responsive to the credit needs.

### ***Credit and Community Development Needs and Opportunities***

Considering information from the community contact, management, and demographic and economic data, examiners confirmed small business loans, home mortgage loans, and affordable housing as the primary credit needs of the areas. The 78.4 percent of businesses with GARs of

\$1 million or less, the 61.1 percent of businesses with 4 or fewer employees, and the 63.3 percent of owner occupied housing units support this conclusion.

## **CONCLUSIONS ON PERFORMANCE CRITERIA**

### ***Format***

This section presents information for the bank as a whole regarding the Lending Activity, Assessment Area Concentration, Community Development Lending, and Innovative and Flexible Lending Practices factors under the Lending Test, and regarding the Investment and Service Tests. Both loan distribution performance factors under the Lending Test discuss performances for the Jackson MSA AA and the Non-MSA AAs, the areas for which examiners used full-scope procedures. Appendix D contains the loan distribution tables for all of the reviewed areas.

### ***Conclusions Regarding the Gulfport MSA, Jackson MSA, and Memphis MSA***

The Interstate Banking and Branching Efficiency Act (IBBEA) requires separate conclusions for each MSA where a bank operates a branch. Conclusions regarding the bank's overall performance, as well as its performances regarding the Lending Test, Investment Test, and the Service Test in the Jackson MSA and Memphis MSA AAs proved generally consistent with the bank as a whole, and the areas selected for full-scope review, with the following exception:

The bank made too few loans in Gulfport MSA AA to form any meaningful conclusions regarding borrower profile or geographic lending performance; therefore, due to the low volume of lending performance is inconsistent with performance in other assessment areas. In 2016, for home mortgage lending, the bank originated 4 home purchase loans, 2 home improvement loans, and 1 home refinance loan in this assessment area and only 3 small business loans and no small farm loans. The institution's lending and service performances in the Gulfport MSA is below the lending and service performance in the assessment areas which were reviewed using full scope procedures. The investment performance in Gulfport is consistent with the performance receiving full scope reviews.

## **LENDING TEST**

The Lending Test is rated "Outstanding". This rating is supported by excellent responsiveness to credit needs in the institution's assessment areas, taking into account the number and amount of home mortgage, small business, and small farm loans in its assessment areas based on lending activity, a high percentage of loans are made inside the assessment areas, the institution is a leader in originating community development loans, and has made extensive use of innovative and flexible lending practices to serve credit needs of its communities.

As previously noted, examiners placed more weight on performance in the Jackson MSA AA when arriving at overall conclusions, particularly for the loan distribution performance factors. Further, heavier weight was placed on the bank's home mortgage lending as such lending comprised the largest percentage of reported loans in 2016. Appendix C lists the criteria used to evaluate the Lending Test.

## **Lending Activity**

The bank exhibited an excellent record for the bank as a whole regarding its lending activity. Excellent responsiveness is demonstrated by the institution's market ranking for home mortgage, small business, and small farm lending activity.

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

The level of home mortgage lending activity reflects excellent performance for the bank as a whole. An excellent overall market ranking and share supports this conclusion. For 2016, the bank originated 2,429 total reportable home mortgage loans totaling over \$348 million and ranked 3<sup>rd</sup> capturing a 5.5 percent market share of the total number of reported home mortgage loans and a 5.0 percent market share of the total dollar volume of reported loans out of the 417 reporting institutions granting home mortgage loans in the bank's assessment areas. Given the considerations previously noted, the ranking reflects an excellent record regarding home mortgage loans.

### ***Small Business Loans***

The level of small business lending activity also reflects excellent performance. An excellent overall market ranking and share supports this conclusion. In 2016, the bank originated 1,321 total reportable small business loans totaling over \$106 million. Considering the level of lending activity in each of its assessment areas, these levels resulted in a market ranking of 4<sup>th</sup> capturing a 6.6 percent market share of the total number of reported small business loans and a 10.5 percent market share of the total dollar volume of reported small business loans out of 113 reporting institutions granting small business loans in the bank's assessment areas. Given the considerations previously noted, the ranking reflects an excellent record regarding small business loans.

### ***Small Farm Loans***

The level of small farm lending activity reflects excellent performance. An excellent overall market ranking and share supports this conclusion. For 2016, the bank originated 458 total reportable small farm loans totaling \$36 million. Considering the level of lending activity in each of its assessment areas, these levels resulted in a ranking of 1<sup>st</sup> capturing a 57.1 percent market share of the total number of reported small farm loans and a 69.4 percent market share of the total dollar volume of reported small farm loans out of 23 reporting institutions granting small farms loans in the bank's assessment areas. Given the considerations previously noted, the ranking reflects an excellent record regarding small farm loans.

Consequently, given the loan products' relative weighting and their noted records, the bank exhibited an excellent overall record regarding its lending activity.

## Assessment Area Concentration

BankPlus originated a high percentage of loans inside its assessment areas. A high percentage of home mortgage, small business, and small farm loans, by both number and dollar volume, are concentrated within the institution's assessments areas.

Lending Concentration										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Small Business										
2015	1,378	86.8	209	13.2	1,587	111,973	84.7	20,207	15.3	132,180
2016	1,306	84.4	242	15.6	1,548	104,811	78.8	28,273	21.2	133,084
2017	928	81.9	205	18.1	1,133	75,674	78	28,273	22.0	97,042
<b>Subtotal</b>	<b>3,612</b>	<b>84.6</b>	<b>656</b>	<b>15.4</b>	<b>4,268</b>	<b>292,458</b>	<b>80.7</b>	<b>69,848</b>	<b>19.3</b>	<b>362,306</b>
Home Mortgage										
2015	1,770	89.0	218	11.0	1,988	274,151	86.1	44,385	13.9	318,536
2016	1,893	89.5	222	10.5	2,115	291,830	87.3	42,468	12.7	334,298
2017	1,284	85.4	219	14.6	1,503	189,550	79.4	49,192	20.6	238,742
<b>Subtotal</b>	<b>4,947</b>	<b>88.2</b>	<b>659</b>	<b>11.8</b>	<b>5,606</b>	<b>755,531</b>	<b>84.7</b>	<b>136,045</b>	<b>15.3</b>	<b>891,576</b>
Small Farm										
2015	496	84.8	89	15.2	585	37,769	83.1	7,690	16.9	45,459
2016	456	85.2	79	14.8	535	35,873	82.0	7,873	18.0	43,746
2017	359	80.7	86	19.3	445	30,782	78.2	8,567	21.8	39,349
<b>Subtotal</b>	<b>1,311</b>	<b>83.8</b>	<b>254</b>	<b>16.2</b>	<b>1,565</b>	<b>104,424</b>	<b>81.2</b>	<b>24,130</b>	<b>18.8</b>	<b>128,554</b>
<b>Total</b>	<b>9,870</b>	<b>86.3</b>	<b>1,569</b>	<b>13.7</b>	<b>11,439</b>	<b>1,152,413</b>	<b>83.3</b>	<b>230,023</b>	<b>16.7</b>	<b>1,382,436</b>
Source: BankPlus HMDA & CRA Data (01/01/2015-09/30/2017). Due to rounding, totals may not equal 100.0.										

## Geographic Distribution

The geographic distribution of loans reflects adequate penetration throughout the assessment areas. Adequate performances regarding all three loan products home mortgage, small business, and small farm loans support this conclusion. As previously noted, examiners placed more weight on home mortgage loans when arriving at this conclusion.

Examiners considered the loan product types reviewed relative to the available comparative data and any performance context issues when arriving at this conclusion. This factor only considered reported loans granted inside the bank's assessment areas. Refer to Appendix D for the geographic distribution tables.

### **Home Mortgage Loans**

The geographic distribution of home mortgage loans reflects adequate penetration throughout the assessment areas. Adequate performance records regarding home purchase and home refinance

loans offset the good performance record regarding home improvement loans. Home purchase loans account for 46.0 percent of the number of home mortgage loans reviewed followed by home improvement loans at 28.7 percent, and home improvement loans at 25.1 percent. Such loan products were weighted in accordance with their respective percentages. Due to the nominal amount of multi-family loans made during the review period, such loans will not be discussed throughout this performance evaluation. The following details the conclusions regarding the two assessment areas that received full scope reviews.

### Home Purchase Loans

The geographic distribution of home purchase loans reflects adequate performance. Adequate performance in the Jackson MSA AA and excellent performance in the Non-MSA AAs support this conclusion. These two AAs accounted for 92.9 percent of the home purchase loans reported with 76.5 percent of such loans reported in the Jackson MSA AA, thereby warranting significantly more weight than the 16.4 percent of home purchase loans in the Non-MSA AAs.

#### *Jackson MSA AA*

The geographic distribution of home purchase loans in the Jackson MSA AA is adequate. As illustrated in Table 2a in Appendix D, the bank's 1.2 percent of lending in low-income census tracts is essentially in line with the 0.9 percent aggregate figure, reflecting adequate performance. Further, the bank's 2.9 percent of lending in moderate-income census tracts is slightly lower than the 3.7 percent aggregate figure also demonstrating adequate performance.

#### *Non-MSA AAs*

The geographic distribution of home purchase loans in the Non-MSA AA is excellent. Although the bank did not originate any home purchase loans in low-income census tracts in the Non-MSA AAs, aggregate lenders originated a mere 0.9 percent in such areas, indicative of extremely nominal lending opportunities; as such performance is considered adequate given the reasonable range from the aggregate percentage. In contrast, the bank's 11.9 percent of lending in moderate-income census tracts is more than double the 5.2 percent aggregate figure, which depicts excellent performance. More weight is afforded to lending in moderate-income geographies given the available opportunities; so the geographic distribution performance is considered excellent.

### Home Improvement Loans

The geographic distribution of home improvement loans reflects good performance. Adequate performance in the Jackson MSA AA, coupled with excellent performance in the Non-MSA AAs support this conclusion. These two AAs accounted for 97.8 percent of the home improvement loans reported. The Jackson MSA AA accounted for 55.4 percent of the home improvement loans reported, while the Non-MSA AAs accounted for 42.4 percent, thereby supporting the slightly heavier weighting for the Jackson MSA AA. Home improvement loans were more evenly distributed among these two assessment areas than home purchase and home refinancing loans.

#### *Jackson MSA AA*

The geographic distribution of home improvement loans is adequate in the Jackson MSA AA. As shown in Table 3a in Appendix D, the bank's origination of 6.6 percent of its loans in low-income census tracts lands within an adequate range of the 9.0 percent aggregate figure, thereby reflecting

adequate performance. Further, the table shows that the bank's 10.0 percent in moderate-income census tracts is also within an adequate range of the 11.8 percent aggregate figure, further reflecting adequate performance.

#### *Non-MSA AAs*

The geographic distribution of home improvement loans is excellent in the Non-MSA AAs. As shown in Table 3a in Appendix D, the bank's 0.4 percent in low-income census tracts lands within an adequate range of the 1.2 percent aggregate figure. The bank's level of lending is 0.8 percent lower than aggregate, thereby reflecting adequate performance. However, the table shows that the bank's 45.7 percent in moderate-income census tracts nearly doubles the 24.7 percent aggregate figure exhibiting excellent performance.

#### Home Refinance Loans

The geographic distribution of home refinance loans reflects adequate performance. An adequate performance record in the Jackson MSA AA offset the good performance in the Non-MSA AAs to support the conclusion. These two AAs account for 92.0 percent of the home refinance loans reported. The Jackson MSA AA accounts for 71.8 percent of the home refinance loans reported, while the Non-MSA AAs account for 20.2 percent, therefore significantly more weight is afforded to the performance record in the Jackson MSA AA.

#### *Jackson MSA AA*

The geographic distribution of home refinance loans reflects adequate performance in the Jackson MSA AA. As shown in Table 4a in Appendix D, the bank's 2.9 percent in low-income census tracts is 1.1 percentage points higher than the 1.8 percent aggregate figure, reflecting adequate performance. Further, the table shows that the bank's 5.6 percent in moderate-income census tracts is 1.2 percentage points higher than the 4.4 percent aggregate figure, further reflecting adequate performance.

#### *Non-MSA AAs*

The geographic distribution of home refinance loans reflects good performance in the Non-MSA AAs. As shown in Table 4a in Appendix D, although the bank did not report any loans in low-income census tracts aggregate lenders only reported a mere 0.3 percent in such tracts, indicative of nominal lending opportunities available. Therefore, the lack of lending in low-income geographies is still within reasonable range of aggregate thereby reflecting adequate performance. Further, the table shows the bank's 10.4 percent in moderate-income census tracts is more than one and half times higher than the 6.9 percent aggregate, thereby reflecting good performance. Given the nominal ability to lend in low-income geographies more weight was afforded to the bank's record in lending in moderate-income geographies.

#### ***Small Business Loans***

The geographic distribution of small business loans reflects adequate performance. Adequate performance in the Jackson MSA AA offset the excellent performance in the Non-MSA AA to support this conclusion. The following analyses discuss the bank's performance in the Jackson MSA AA and the Non-MSA AAs, the areas for which examiners used full-scope procedures. The Jackson MSA AA accounts for 61.0 percent of the reported small business loans and 31.8



percent were originated in the Non-MSA AAs. As such, the Jackson MSA AA received heavier weighting.

#### *Jackson MSA AA*

The geographic distribution of small business loans shows adequate performance in the Jackson MSA AA. Table 6a in Appendix D shows that the bank's 9.8 percent in low-income census tracts is 1.0 percent higher than the 8.8 percent aggregate figure in that area, reflecting adequate performance. Further, the table shows that the bank's 10.7 percent in moderate-income census tracts is 2.6 percent higher than the 8.1 percent aggregate figure, further reflecting adequate performance.

#### *Non-MSA AAs*

The geographic distribution of small business loans shows excellent performance in the Non-MSA AAs. Table 6a in Appendix D shows that the bank's 0.5 percent in low-income census tracts is 1.3 percent lower than the 1.8 percent aggregate figure; however, is within a reasonable range, thereby reflecting adequate performance. However, the table shows the bank's 30.6 percent in moderate-income census tracts is 19.8 percentage points higher, nearly triple, the 10.8 percent aggregate figure, demonstrating excellent performance. More weight is afforded to lending in moderate-income geographies given the significantly higher percentage of businesses located in those geographies, as such, performance is considered excellent.

#### ***Small Farm Loans***

The geographic distribution of small farm loans reflects adequate performance. Adequate performances in both the Jackson MSA AA and the Non-MSA AAs support this conclusion, the areas for which examiners used full-scope procedures. The bank reported 55.0 percent of its small farm loans in the Non-MSA AAs followed by 41.7 percent in the Jackson MSA AA. As such, the Non-MSA AAs received slightly heavier weighting.

#### *Jackson MSA AA*

The geographic distribution of small farm lending in the Jackson MSA AA is adequate. Table 7a in Appendix D shows that the bank's 4.2 percent in low-income census tracts is 1.0 percent higher than the 3.2 percent aggregate figure in that area, thereby reflecting adequate performance. Further, the table shows that the bank's 15.3 percent in moderate-income census tracts is 1.8 percent higher than the 13.5 percent aggregate figure, further reflecting adequate performance.

#### *Non-MSA AAs*

The geographic distribution of small farm loans shows adequate performance in the Non-MSA AAs. Table 7a in Appendix D shows that the bank did not report any loans in low-income census tracts; however, aggregate lenders did not either. As such, the bank's performance is adequate. Further, the table shows the bank's 41.0 percent in moderate-income census tracts is 5.2 percentage points higher than the 35.8 percent aggregate figure, reflecting adequate performance.

#### **Borrower Profile**

The bank established an adequate record regarding its borrower profile in lending to borrowers of different income levels and businesses and farms of different sizes. An adequate record regarding home mortgage loans, excellent performance regarding small business loans, and a

good record regarding small farm loans support this conclusion. In 2016, by dollar volume home mortgage loans accounted for 65.4 percent of lending volume, small business 26 percent, and small farm 8.6 percent; therefore, home mortgage loans received more weight in forming conclusions.

Examiners considered the loan product types reviewed relative to the available comparative data and any performance context issues when arriving at this conclusion. This factor only considered reported loans granted inside the bank's assessment areas. Refer to Appendix D for the borrower profile distribution tables.

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

The distribution of home mortgage loans based on the borrowers' profiles reflects adequate performance. Poor performance regarding home purchase loans was lifted by adequate performances regarding home improvement and home refinance loans. Home purchase loans account for 46.0 percent of the number of home mortgage loans reviewed followed by home improvement loans at 28.7 percent and home improvement loans at 25.1 percent. Such loan products were weighted in accordance with their respective percentages.

Examiners considered the loan categories reviewed relative to the available comparative data, primarily the comparison to aggregate data, and any performance context issues. They focused on the percentages by the number of loans when arriving at conclusions. Appendix D presents the data for all assessment areas.

### Home Purchase Loans

The distribution of home purchase loans based on the borrowers' profiles reflects poor performance. Poor performance in the Jackson MSA AA offset the adequate performance in the Non-MSA AAs to support the conclusion. These two AAs account for 92.9 percent of the home purchase loans reported; however, 76.5 percent of such loans were reported in the Jackson MSA AA, thereby warranting heavier weight. The Non-MSA AA noted 16.4 percent of the home purchase loans reported.

### *Jackson MSA AA*

The borrower profile distribution of home purchase loans reflects poor performance in the Jackson MSA AA. Table 8a in Appendix D shows the bank originated 2.8 percent to low-income borrowers which lands within an acceptable range of the 4.4 percent aggregate figure, thereby reflecting adequate performance. The table further shows that to moderate-income borrowers, the bank's 10.0 percent is significant lower, half of the 20.0 percent aggregate figure; reflecting poor performance. More weight is afforded to lending to moderate-income borrowers as there is more opportunity to lend to those borrowers based on aggregate information.

### *Non-MSAs AA*

In the Non-MSA AAs, Table 8a in Appendix D shows that the bank's 2.9 percent to low-income borrowers is slightly higher than the 2.5 percent aggregate figure, demonstrating adequate performance. The table further shows that to moderate-income borrowers, the bank's 14.7 percent is also slightly higher than the 14.3 percent aggregate figure, also reflecting adequate performance.

### Home Improvement Loans

The distribution of home improvement loans based on the borrowers' profiles reflects adequate performance. Adequate performance in the Jackson MSA AA and good performance in the Non-MSA AA supports this conclusion. These two AAs account for 97.8 percent of the home improvement loans reported; with 55.4 percent of loans reported in the Jackson MSA AA, thereby warranting slightly heavier weight. The Non-MSA AA noted 42.4 percent of the home improvement loans reported.

#### *Jackson MSA AA*

The borrower profile distribution of home improvement loans shows adequate performance in the Jackson MSA AA. As shown in Table 9a in Appendix D the bank extended 12.4 percent of its loans to low-income borrowers, which is within an adequate range of the 14.6 percent aggregate figure demonstrating adequate performance. The table further shows that to moderate-income borrowers, the bank's 19.8 percent is slightly lower than the 20.5 aggregate figure but closely mirrors aggregate's performance level reflecting adequate performance.

#### *Non-MSAs AA*

The borrower profile distribution of home improvement loans shows good performance in the Non-MSA AA. As shown in Table 9a in Appendix D, the bank granted 18.6 percent of its loans to low-income borrowers, which is 5.6 percent higher than the 13.0 percent aggregate figure, demonstrating good performance. The table further shows that to moderate-income borrowers, the bank's 22.1 percent is 5.2 percent higher than the 16.9 percent aggregate figure, also reflecting good performance.

### Home Refinance Loans

The distribution of home refinance loans based on borrowers' profiles reflects adequate performance. Adequate performance in both the Jackson MSA AA and the Non-MSA AAs supports this conclusion. These two AAs account for 92.0 percent of the home refinance loans reported. The Jackson MSA AA accounts for 71.8 percent of the home refinance loans reported, while the Non-MSA AAs account for 20.2 percent, thereby supporting heavier weighting for the Jackson MSA AA.

#### *Jackson MSA AA*

The borrower profile distribution of home refinance loans shows adequate performance in the Jackson MSA AA. Table 10a in Appendix D shows the bank's 2.4 percent to low-income borrowers lands within a reasonable range of the 4.4 percent aggregate figure, reflecting adequate performance. The bank's 6.4 percent to moderate-income borrowers is 5.5 percentage points below the 11.9 percent aggregate figure reflecting adequate performance.

#### *Non-MSA AAs*

The borrower profile distribution of home refinance loans shows adequate performance in the Non-MSA AAs. As shown in Table 10a in Appendix D, the bank extended 3.7 percent to low-income borrowers which is closely mirrors the 3.8 percent aggregate figure, reflecting adequate performance. The table shows that the bank's 4.9 percent to moderate-income borrowers trails aggregate by 4.3 percentage points, at 9.2 percent reflecting adequate performance.

### ***Small Business Loans***

The distribution of small business loans based on the borrowers' profiles reflects excellent performance. An excellent record to businesses with gross annual revenues of \$1 million or less supports this conclusion. The companies' gross annual revenues define the borrowers' profiles for this analysis. Excellent performance in both the Jackson MSA AA and the Non-MSA AAs supports this conclusion. The following analyses discuss the bank's performance in the Jackson MSA AA and the Non-MSA AAs, the areas for which examiners used full-scope procedures. The Jackson MSA AA accounted for 61.0 percent of the reported small business loans and 31.9 percent were originated in the Non-MSA AAs. As such, the Jackson MSA AA will receive heavier weighting.

#### *Jackson MSA AA*

The bank's borrower profile small business loan distribution in the Jackson MSA AA reflects excellent performance. As shown in Table 11a in Appendix D the bank originated 73.0 percent of its small business loans to businesses with gross annual revenues of \$1 million or less. This record is 25.6 percentage points higher than the 47.4 percent aggregate figure, reflecting excellent performance.

#### *Non-MSA AAs*

The bank's borrower profile small business loan distribution in the Non-MSA AA reflects excellent performance. As reflected in Table 11a in Appendix D the bank originated 89.9 percent of its small business loans to businesses with gross annual revenues of \$1 million or less. This record is 41.6 percentage points higher than the 48.3 percent aggregate figure, demonstrating excellent performance.

### ***Small Farm Loans***

The distribution of small farm loans based on the borrowers' profiles reflects good performance. Good performance in both the Jackson MSA AA and the Non-MSA AAs supports this conclusion. The following analyses discuss the bank's performance in the Jackson MSA AA and the Non-MSA AAs, the areas for which examiners used full-scope procedures. The bank reported 55.0 percent of its small farm loans in the Non-MSA AAs followed by 41.7 percent in the Jackson MSA AA. As such, the Non-MSA AAs will receive slightly heavier weighting.

#### *Jackson MSA AA*

The borrower profile distribution of small farm loans in the Jackson MSA AA reflects good performance. Table 12a in Appendix D shows the bank originated 86.3 percent of its small farm loans to farmers with gross annual farm revenues of \$1 million or less which is 17.7 percentage points above the 68.6 percent aggregate figure, thus reflecting good performance.

#### *Non-MSA AAs*

The borrower profile distribution of small farm loans in the Non-MSA reflects good performance. Table 12a in Appendix D shows the bank originated 73.3 percent of its small farm loans to farmers with gross annual farm revenues of \$1 million or less. This record is 9.1 percent higher than the 64.2 percent aggregate figure, reflecting good performance.

## Community Development Lending

The bank is a leader regarding its community development lending. An excellent extent, or dollar volume, and an excellent responsiveness to the areas' community development needs support this conclusion. Appendix B defines community development, and Appendix C lists the criteria considered under this performance factor.

### *Extent of Community Development Lending*

The institution generated an excellent extent, or dollar volume, of community development loans. The following table shows the bank granted a total of 101 community development loans totaling \$179,981,000 which equates to 6.8 percent of average total assets of \$2,637,578,000 since the previous evaluation. Further, this level equates to 11.1 percent of average net loans of \$1,626,398,000 for the same period. Of the 101 total community development loans, 80 loans totaling \$115,359,000 were for economic development.

The community development loans proved responsive to the areas' identified needs of economic development and affordable housing. Relative to the bank's capacity and the extent of community development lending opportunities and needs in its assessment areas, the overall level of the bank's community development lending reflects excellent performance.

Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Gulfport MSA AA	1	336	0	0	0	0	0	0	1	336
Jackson MSA AA	4	2,047	5	30,391	35	36,425	3	11,000	47	79,863
Memphis MSA AA	1	3,044	0	0	2	3,702	0	0	3	6,746
Non-MSA AAs	1	548	2	3,148	41	66,203	0	0	44	69,899
Statewide Activities	0	0	0	0	0	0	0	0	0	0
Regional Activities	1	430	3	13,678	2	9,029	0	0	6	23,137
<b>Total</b>	<b>8</b>	<b>6,405</b>	<b>10</b>	<b>47,217</b>	<b>80</b>	<b>115,359</b>	<b>3</b>	<b>11,000</b>	<b>101</b>	<b>179,981</b>

The following provides examples of the bank's community development loans.

- ***Economic Development*** – The bank granted a loan for \$3.8 million to finance a catfish processing operation located in the Mississippi Delta. Catfish processing plants are a major driving force for the economy of the Delta, and one of the few large-scale employers providing jobs for largely low- and moderate-income individuals.
- ***Affordable Housing***– The bank granted four loans totaling \$2.0 million for 14 apartment complexes in West Jackson which benefit low- and moderate- income individuals who are in need of affordable housing.

- ***Community Development Financial Institution (CDFI):***

BankPlus is a certified CDFI bank. CDFIs target financial products and services to individuals and businesses to expand economic opportunity in low-income communities. The bank is the largest CDFI bank in the country.

- BankPlus was awarded \$2.0 million for 2016, and \$916,905 for 2017 in financial assistance (FA) awards from the CDFI Fund. FA awards are designated for the provision of affordable financial products and services to low-income communities.
- BankPlus was awarded \$262,000 for 2015, and \$36,000 for 2016 through the Bank Enterprise Award (BEA) Program of the CDFI Fund. The BEA Program provides incentives for financial institutions to increase support of CDFIs and enhance community development activities in distressed areas.
- Bank staff regularly participates in efforts to increase funding for CDFIs and efforts to reform the CRA. Staff also provides guidance to other CDFI banks across the country in developing effective community development initiatives.

#### ***Other Performance Criteria***

The institution's CD loans reflect an excellent response to the assessment areas' CD needs. An excellent level of CD loans directed to identified needs and other qualitative considerations support this conclusion.

The previous table shows that the bank's CD loans focused on economic development in qualifying geographies, which account for 64.1 percent by dollar volume and 79.2 percent by number of the bank's total CD loans. In addition, another 26.2 percent by dollar volume and 9.9 percent by number benefit organizations or programs that provide community services targeted to low- and moderate-income individuals.

As discussed under Description of Assessment Areas, CD activities that provide economic development to qualifying geographies and those that benefit organizations or programs that provide community services targeted to low- and moderate-income individuals represent primary CD needs in most of the bank's assessment areas. In addition to those that address identified needs, examiners also considered the CD loans' other qualitative aspects. Examiners noted leadership roles and heightened expertise and effort in initiating and originating the bank's CD loans. Other financial institutions within the immediate area are modeling the bank's Small Dollar Loan Program which is discussed under flexible lending practices. Additionally, the bank is the largest active CDFI bank in the country.

Thus, given the focus of CD loans on identified needs and the CD loans' qualitative characteristics, the bank achieved an excellent record of making its CD loans responsive to the AAs' CD needs

## Innovative or Flexible Lending Practices

The institution made extensive use innovative and flexible lending practices. An excellent level regarding the dollar volume and number of such loans supports this conclusion. Appendix C lists the criteria consider under this performance factor.

The following table shows that since the last evaluation, the bank granted 906 innovative or flexible loans totaling \$128,434,000. This dollar figure equates to 4.9 percent of average total assets and 7.9 percent of average net loans since the previous evaluation indicative of excellent performance.

Innovative or Flexible Lending Programs								
Type of Program	2015		2016		2017		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
ABE Loan	5	730	6	1,122	1	200	12	2,052
Affordable Housing (FTH LOANS)	27	1,704	35	2,825	13	1,303	75	5,832
Affordable Housing (FTH GRANTS)	27	243	35	274	13	84	75	601
Affordable Housing (REHAB GRANTS)	78	573	104	861	51	415	233	1,849
Business Plus	0	0	1	15	1	3	2	18
CMPDD Small	0	0	1	140	0	0	1	140
FHA	140	21,675	144	23,065	37	5,931	321	50,671
HOSP	11	464	7	690	5	262	23	1,416
SBLGP	8	7,798	2	980	0	0	10	8,778
SBA	20	8,161	31	16,287	29	15,283	80	39,731
VA	34	7,359	33	7,878	7	2,109	74	17,346
<b>Totals</b>	<b>350</b>	<b>48,707</b>	<b>399</b>	<b>54,137</b>	<b>157</b>	<b>25,590</b>	<b>906</b>	<b>128,434</b>

*Source: Bank Records*

The table shows that a majority of these loans were originated through various government guaranteed or insured programs. The bank granted 321 loans totaling \$50.7 million through the Federal Housing Administration's (FHA) loan programs, 74 loans totaling \$17.3 million through the Veterans Administration (VA), and 80 loans totaling \$39.7 million through the Small Business Administration's (SBA) loan programs. The following points describe some of the bank's flexible lending activities.

- **Affordable Housing Program** - With grant assistance provided through the bank's Affordable Housing Program, loans totaling \$5.8 million allowed 75 families to purchase their homes. The program was developed by the bank to assist first-time homebuyers, low- to- moderate-income individuals and families, individuals or families with special needs, and underserved communities.
- **Home Ownership Stabilization Program (HOSP)** - HOSP was developed in 2009 in response to the foreclosure crisis, and was designed to help BankPlus customers avoid foreclosure. HOSP loans offer amortization schedules up to 40 years with a five year

fixed interest rate, a 30 day grace period before the first payment is due, and a lower interest rate for low- to moderate-income households. During the evaluation period, \$1.4 million in loans have been modified through the program.

In addition to the flexible and innovative lending practices listed above the bank demonstrates its responsiveness to assessment areas' credit needs by its willingness to extend small dollar loans.

The bank's award-winning small dollar loan program entitled CreditPlus was developed to act as a credit enhancement tool, an outreach program for the unbanked or underbanked, and an alternative product to payday loans and other high-interest credit offerings. Launched in 2008, the program requires opening a savings account and completion of a three-hour financial literacy seminar provided by bank personnel to qualify for the loan component. The bank also originates other small dollar loans in addition to the CreditPlus program. During the evaluation period, the bank originated 12,303 loans totaling \$8.7 million demonstrating the bank's willingness to assist its communities with small dollar loans.

## **INVESTMENT TEST**

The Investment Test is rated "Outstanding." An excellent level of qualified community development investments and grants and an excellent responsiveness to the credit and community economic development needs primarily supports this conclusion. Appendix B defines community development, and Appendix C lists the criteria considered under this performance factor.

### **Investment Activity**

The bank has an excellent level of qualified investments and grants, occasionally in a leadership position. The following table shows that the bank made use of 505 QIs totaling 56,599,000, which includes 407 grants and donations totaling 2,755,000, and 53 prior period investments of \$29,057,926.

The total dollar amount equates to 2.5 percent of the bank's average total assets of \$2,237,578,000, and 8.1 percent of total securities of \$701,548,000 reflecting excellent performance.



Qualified Investments by Assessment Area												
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Neighborhood Stabilization		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Gulfport MSA AA	0	0	5	1,838	0	0	0	0	0	0	5	1,838
Jackson MSA AA	1	1,326	20	17,366	17	11,445	4	652	0	0	42	30,789
Memphis MSA AA	4	2,097	1	110	0	0	0	0	0	0	5	2,207
Non-MSA AAs	1	1,671	14	9,936	24	4,639	0	0	0	0	39	16,266
Statewide Activities	1	89	0	0	4	2,254	0	0	0	0	5	2,343
Regional Activities	0	0	0	0	2	400	0	0	0	0	2	400
<b>Subtotal</b>	<b>7</b>	<b>5,184</b>	<b>40</b>	<b>29,250</b>	<b>47</b>	<b>18,757</b>	<b>4</b>	<b>652</b>	<b>0</b>	<b>0</b>	<b>98</b>	<b>53,843</b>
<b>Grants &amp; Donations</b>	<b>27</b>	<b>105</b>	<b>326</b>	<b>1,914</b>	<b>37</b>	<b>619</b>	<b>14</b>	<b>104</b>	<b>3</b>	<b>14</b>	<b>407</b>	<b>2,755</b>
<b>Total</b>	<b>34</b>	<b>5,289</b>	<b>366</b>	<b>31,164</b>	<b>84</b>	<b>19,376</b>	<b>18</b>	<b>756</b>	<b>3</b>	<b>14</b>	<b>505</b>	<b>56,599</b>

Source: Bank Records

The following points provide examples of the bank's QIs.

- Economic Development** - The bank invested in Tax Increment Financing Bonds for the City of Madison's Grandview Development Project. The Forum at Grandview is a 330,000 square-foot retail center located off I-55 (Exit 108) in Madison, Mississippi. Hosting a Best Buy, Stein Mart, Dick's Sporting Goods, Michaels, a 16-screen Malco Grandview Theatre and Miskelly Furniture, the center also features over 35,000 square feet of specialty retail shops. The retail Center provides numerous employment opportunities for low- and moderate-income people living in Madison, and the surrounding lower-income areas of Canton and Jackson.
- Affordable Housing**- BankPlus invested \$1.6 million in Ginnie Mae Mortgage-Backed Securities benefitting low- and moderate-income individuals living within the bank's assessment area. Ginnie Mae's mission is to expand affordable housing finance in America by linking domestic and global capital to the nation's housing finance markets, providing liquidity to federally sponsored mortgage lending programs. The securities are based on and backed by a pool of mortgage loans. The issuer has represented that the mortgages are single-family, level payment mortgages insured by the Federal Housing Administration or guaranteed by the Department of Veterans Affairs, the Rural Housing Service or the Secretary of Housing and Urban Development.

### **Responsiveness to Credit and Community Development Needs**

The institution's QIs reflect an excellent responsive to the assessment areas' CD needs. An excellent level of QIs directed to identified needs and other qualitative considerations primarily support this conclusion. Some QIs also reflect an innovativeness or complexity and characteristics not routinely found in private investments, further supporting this conclusion.

The previous table shows that the bank's QIs focused on community services, which account for 55.1 percent by dollar volume and 72.5 percent by number of the bank's total QIs. In addition, another 34.2 percent by dollar volume and 16.6 percent by number benefit economic development through the financing of businesses that meet the regulation's size and purpose requirements.

As discussed under Description of Assessment Areas, CD activities that benefit organizations or programs that provide community services targeted to low- and moderate-income individuals represents a primary CD need in the bank's assessment areas.

In addition to those that address identified needs, examiners also considered the CD investment's other qualitative aspects. The bank's investments indicate a concentrated response by the bank to address pressing community needs including housing, economic development, and community service needs.

### **Innovativeness or Complexity of Qualified Investments**

Examiners occasionally noted leadership roles, identified innovative or complex characteristics as well as characteristics not routinely found in private investments.

## **SERVICE TEST**

The Service Test is rated "High Satisfactory." Good records regarding the bank's retail and community development services support this conclusion. Appendix C lists all the criteria considered under the Service Test.

### **Retail Banking Services**

The bank exhibited a good record regarding its retail banking services.

### **Accessibility of Delivery Systems**

The institution's delivery systems are readily accessible to all portions of the institution's assessment areas.

### ***Branch Distribution***

The bank's branch distribution is readily accessible to all portions of the assessment areas. Distribution of branches in low- and moderate-income geographies relative to population percentages supports this conclusion.

The following table shows that in low-income census tracts, the percentage of the number of branches is just 2.0 percentage points below the percentage of the assessment areas' population residing in those tracts.

The table further shows that in moderate-income geographies, the percentage of the number of branches, 17.9 percent, exceeds the percentage of the assessment areas' population residing in those tracts, at 13.3 percent, by 4.6 percentage points. Therefore, given the readily accessibility of the distribution of branches in low- and moderate-income census tracts, and to low- and moderate- income individuals the bank's branches are accessible to all portions of the assessment areas.

Branch and ATM Distribution								
Census Tract Income Category	Census Tracts in Assessment Areas		Total Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	23	10.8	71,151	7.4	3	5.4	3	3.3
Moderate	35	16.4	127,179	13.3	10	17.9	13	14.5
Middle	89	41.8	414,728	43.3	25	44.6	36	40.0
Upper	65	30.5	345,410	36.0	18	32.1	37	41.1
N/A	1	0.5	0	0.0	0	0.0	1	1.1
<b>Total</b>	<b>213</b>	<b>100.0</b>	<b>958,468</b>	<b>100.0</b>	<b>56</b>	<b>100.0</b>	<b>90</b>	<b>100.0</b>

*Source: U.S. Census (2010); Bank records (9/30/2017).*

### ***Alternative Delivery Systems***

The bank's alternative delivery systems are readily accessible in low- and moderate-income geographies and to low- and moderate-income individuals.

As seen in the preceding table, the bank operated 3 ATMs in low-income census tracts and 13 ATMs in moderate-income tracts. The percentage of ATMs in low-income census tracts slightly trails the percentage of the assessment areas' population residing in those tracts. But in moderate-income geographies, the bank's percentage of ATMs exceeds the population percentage by 1.2 percentage points providing accessibility to low- and moderate- income individuals and to moderate income geographies.

In addition to ATMs, the bank offers a variety of alternative systems that proved effective in delivering retail banking services in low- and moderate-income geographies and to low- and moderate-income individuals. For example, the institution provides free online banking that allows customers to review their accounts, track expenses, make transfers, and pay bills. The bank's mobile banking product provides many of these same services from any mobile device, to include customer care. These delivery systems also address various needs of commercial customers, including small businesses, such as merchant services, point of sale, services, and direct deposit payroll services.

Also noteworthy, BankPlus launched Interactive Teller Machines (ITMs) at five locations in Jackson, Ridgeland, and Tupelo in 2017. The ITMs are stand-alone machines that operate in Interactive Teller mode or ATM mode. The Interactive Teller mode is operated from the bank's Customer Service Center in Ridgeland by a team of ITM Agents. Agents are available in

Interactive Teller mode Monday through Friday from 7:00am to 7:00pm and Saturdays 9:00am to 1:00pm. The machines operate in ATM mode when an ITM Agent is unavailable. The ITMs are located in two low-income, three moderate-income and in one census tract with no income designation.

### **Changes in Branch Locations**

The institution’s record of opening and closing branches has not adversely affected the accessibility of delivery systems, particularly in low- and moderate- income geographies and/or to low- and moderate- income individuals. The bank opened three branches and closed three branches over the review period.

<b>Change in Branch Locations Whole Bank</b>						
<b>Census Tract Income Category</b>	<b>Demographics</b>		<b>Branches Opened</b>		<b>Branches Closed</b>	
	<b>% of Tracts</b>	<b>% of Population</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	10.8	7.4	0	0	0	0
Moderate	16.4	13.3	0	0	0	0
Middle	41.8	43.3	2	66.7	2	66.7
Upper	30.5	36.0	1	33.3	1	33.3
N/A	0.5	0.0	0	0	0	0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>3</b>	<b>100.0</b>	<b>3</b>	<b>100.0</b>

*Source: U.S. Census (2010); Bank records (9/30/2017).*

### **Reasonableness of Business Hours and Services**

The institution’s services and business hours do not vary in a way that inconveniences certain portions of the assessment areas, particularly low- and moderate- income geographies. A good record with respect to its hours and services offered at branches located in low- and moderate-income census tracts primarily supports this conclusion.

Branches within each assessment areas in Mississippi, maintain hours and services typical for the areas’ served and the industry with most locations offering extended lobby hours on Friday, and additional drive-thru hours on Saturday. Offices in low- and moderate-income tracts reflect similar hours to those in middle- and upper-income geographies.

Consistent with the bank as a whole, the range of services offered in the assessment areas covers a wide variety of products and services including consumer checking, savings, money market, certificate of deposit, as well as debit. The bank also offers a variety of loan products to include credit cards, home equity loans, consumer loans, and home mortgage loans. Businesses products and services include checking and savings accounts, as well as cash and wealth management services.

## Community Development Services

Bank Plus provides a relatively high level of community development services. Examiners considered the institution’s capacity and the areas’ needs when arriving at this conclusion. Appendix B defines community development and Appendix C lists the criteria considered under this performance factor.

### *Extent of Community Development Services*

Since the previous evaluation, the bank provided a total of 856 community development services. Of the total community development services, 92.8 percent benefited organizations providing community services and 3.0 percent benefited economic development, both representing identified needs of the bank’s assessment areas.

Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
Gulfport MSA AA	0	1	0	0	1
Jackson MSA AA	9	390	11	4	414
Memphis MSA AA	0	29	0	0	29
Non-MSA AAs	14	334	2	4	354
Statewide Activities	2	35	13	3	53
Regional Activities	0	5	0	0	5
<b>Total</b>	<b>25</b>	<b>794</b>	<b>26</b>	<b>11</b>	<b>856</b>

Based on this level in light of the assessment areas’ needs and the bank’s capacity for providing community development services, the bank provides a relatively high level of community development services. The following are examples of the bank’s notable community development services in the assessment areas.

- **Community Service** – Employees reached a total of 7,823 children at 57 schools and preschool programs through financial literacy outreach efforts through the following programs: American Bankers Association Education Foundations, Teach Children to Save, Get Smart About Credit initiatives, Mississippi Bankers Associations, and A Banker in Every Classroom. Seventy percent of the schools reached serve predominantly low- and moderate-income individuals and families.

- **Community Service** - BankPlus hosted 260 CreditPlus financial seminars, reaching 6,924 participants in the assessment areas. CreditPlus is a small, short-term loan product designed to encourage participants to develop a regular savings plan. It also offers a financial alternative to payday lending and other alternative financial service providers, while providing important information to make wise financial decisions and build a better financial future. Loan data indicates that the majority of CreditPlus participants are low and moderate-income.

### ***Other Performance Criteria***

The institution's CD services reflect an excellent responsiveness to the assessment areas' CD needs. An excellent level of CD services directed to identified needs and other qualitative considerations primarily support this conclusion. Certain CD services also reflect innovativeness in serving groups not previously served and an adequate degree of serving low- and moderate-income areas or individuals.

The previous table shows that the bank's CD services focused on community services, which account for 92.8 percent of the bank's total CD services. In addition, another 3.0 percent and 2.9 percent benefit economic development and affordable housing, respectively, for low- and moderate-income individuals. As discussed under Description of Assessment Areas, CD activities that benefit organizations or programs that provide community services targeted to low- and moderate-income individuals represents a primary CD need in most of the bank's assessment areas.

In addition to those that address identified needs, examiners also considered the CD services' other qualitative aspects. Due to the bank implementing ITMs and offering free-of-charge mobile and online banking products to customers, examiners noted leadership roles. Additionally, examiners identified innovative services that serve groups not previously served, and an excellent degree of serving low- and moderate-income areas or individuals.

Given the focus of CD services on identified needs and the CD services' qualitative characteristics, the bank achieved an excellent record of making its CD services responsive to the AAs' CD needs.

## **DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

Examiners did not identify any evidence of discriminatory or other illegal credit practices for the bank as a whole inconsistent with helping to meet community credit needs; therefore, this consideration did not affect the overall rating.

## APPENDICES

### Appendix A

#### SCOPE OF EVALUATION

BankPlus	
<b>SCOPE OF EXAMINATION:</b> Full scope reviews were performed on following assessment areas: Jackson MSA AA Non-MSA AAs	
<b>TIME PERIOD REVIEWED:</b>	November 4, 2014 through January 8, 2018
<b>PRODUCTS REVIEWED:</b> (list loan categories reviewed alphabetically): Community Development Loans: 11/4/14 – 1/8/18 Home Mortgage Loans: 1/1/15 – 9/30/17 Small Business Loans: 1/1/15 – 9/30/17 Small Farm Loans: 1/1/15 – 9/30/17	

LIST OF ASSESSMENT AREAS AND TYPE OF EVALUATION			
ASSESSMENT AREA	TYPE OF EVALUATION	BRANCHES VISITED	OTHER INFORMATION
Gulfport-Biloxi MSA AA	Limited-scope	None	None
Jackson MSA AA	Full-scope	None	None
Non-MSA AA	Full-scope	None	None
Memphis MSA AA	Limited-scope	None	None

## 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.

**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;
  - (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies;
- or
- (5) Enable or facilitate projects or activities that address needs regarding foreclosed or abandoned residential properties in designated target areas.

**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:

An unemployment rate of at least 1.5 times the national average;

A poverty rate of 20 percent or more; or

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).

**Family Income:** Includes the income of all members of a family that are age 15 and older.

**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 Disclosure Loan Application Register (HMDA LAR):** The HMDA LARs record all applications received for residential purchase, refinance, home improvement, and temporary-to-permanent construction loans.

**Home Mortgage Loans:** Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multi-family (five or more families) dwelling loans, loans to purchase manufactured homes, and refinancings of home improvement and home purchase loans.

**Household:** Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

**Household Income:** Includes the income of the householder and all other persons that are age 15 and older in the household, whether related to the householder or not. Because many households are only one person, median household income is usually less than median family income.

**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:** 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.

**LARGE BANK PERFORMANCE TESTS' CRITERIA**

**LENDING TEST**

The Lending Test evaluates the institution's record of helping to meet the credit needs of its AA(s) by considering an institution's home mortgage, small business, small farm, and community development lending. Performance under the Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating. The institution's lending performance is evaluated pursuant to the following criteria:

- 1) The volume of lending activity;
- 2) The proportion of lending within the AA(s);
- 3) The dispersion of loans and the number and amount of loans in low-, moderate-, middle- and upper-income geographies in the AA(s);
- 4) The distribution of loans among borrowers of low-, moderate-, middle- and upper-income levels and businesses (including farms) of different sizes;
- 5) The volume of community development lending; and
- 6) The use of innovative or flexible lending practices.

**Community Development Lending**

The institution's community development lending activities are evaluated pursuant to the following criteria:

- 1) The extent to which community development lending opportunities have been made available to the institution;
- 2) The responsiveness of the institution's community development lending; and
- 3) The extent of leadership the institution has demonstrated in community development lending.

**Innovative and Flexible Lending Practices**

The institution's innovative and flexible lending practices are evaluated pursuant to the following criteria:

- 1) The degree to which the loans serve low- and moderate-income creditworthy borrowers in new ways or serve groups of creditworthy borrowers not previously served by the institution; and
- 2) The success of each product serving low- and moderate-income borrowers, including the number and dollar volume of loans originated during the review period.

## **INVESTMENT TEST**

The Investment Test evaluates the institution's record of helping to meet the credit needs of its AA(s) through its use of qualified investments that benefit the AA(s) or a broader statewide or regional area that includes the institution's AA(s). Activities considered under the Lending or Service Test may not be considered under the investment test. The institution'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 investments to credit and community development needs; and
- 4) The degree to which the qualified investments are not routinely provided by private investors.

## **SERVICE TEST**

The Service Test evaluates the institution's record of helping to meet the credit needs of its AA(s) by analyzing both the availability and effectiveness of the institution's systems for delivering retail banking services and the extent and innovativeness of its community development services. The institution's retail banking services are evaluated pursuant to the following criteria:

- 1) The distribution of the institution's branches among geographies of different income levels;
- 2) The record of opening and closing branches, particularly branches located in low- and moderate-income geographies or that primarily serve low- or moderate-income individuals;
- 3) The availability and effectiveness of alternate systems for delivering retail banking services; 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.

In addition, the institution's community development services are evaluated pursuant to the following criteria:

- 1) The extent of community development services offered and used;
- 2) The innovativeness of community development services, including whether they serve low- and moderate-income customers in new ways or serve groups not previously served;
- 3) The degree to which they serve low- and moderate-income areas or individuals; and
- 4) Their responsiveness to available opportunities for community development services.

FFIEC Standard Data Tables

Some Tables not included if information included in body of evaluation, so table numbering is not consecutive.



Institution ID: BankPlus (Included)

Table 1. Lending Volume

LENDING VOLUME		Geography: 2016 BANKPLUS				Evaluation Period: JANUARY 1, 2016 TO DECEMBER 31, 2016						
Assessment Area (2016):	% of Rated Area Loans (#) in MA/AA	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)	
<b>Full Review:</b>												
Jackson MSA	63.11	1,311	241,037	796	73,360	190	15,569			2,344	409,829	70.80
Non-MSA AAs	30.83	470	37,514	416	23,281	251	19,499			1,145	98,398	23.80
<b>Limited Review:</b>												
Gulfport-Biloxi MSA	0.30	7	743	3	844	0	0			11	1,923	0.00
Memphis MSA	5.76	105	12,536	91	7,326	15	805			214	27,413	5.40

\* HMDA and CRA 2016 Reported Loan Data

\*\* Community Development Loans are included in the body of the evaluation capturing all since prior evaluation.

**Table 2a. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE		Geography: 2016 BANKPLUS				Evaluation Period: JANUARY 1, 2016 TO DECEMBER 31, 2016							
Assessment Area:	Total Home Purchase Loans #	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
		% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Upp	
Jackson MSA	666	76.46	6.66	1.20	12.10	2.85	42.73	29.58	38.51	0.93	3.70	34.21	61.17
Non-MSA AAs	143	16.42	2.03	0.00	15.44	11.89	42.36	44.76	40.17	0.09	5.19	37.69	57.03
<b>Limited Review:</b>													
Gulfport-Biloxi MSA	4	0.46	0.00	0.00	0.00	0.00	41.91	50.00	58.09	0.00	0.00	36.14	63.86
Memphis MSA	58	6.66	0.00	0.00	3.64	1.72	44.08	56.90	52.28	0.00	3.66	32.66	63.68

\* Based on 2016 Peer Mortgage Data -- US and PR

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

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

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

**Table 3a. Geographic Distribution of Home Improvement Loans**

Geographic Distribution: HOME IMPROVEMENT		Geography: 2016 BANKPLUS				Evaluation Period: JANUARY 1, 2016 TO DECEMBER 31, 2016							
Assessment Area:	Total Home Improvement Loans	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income			
		#	% of Total	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% Owner Occ Units	% BANK Loans	% Owner Occ Units	Low	Mod	Mid	Upp
<b>Full Review:</b>													
Jackson MSA	301	55.43	6.66	12.10	9.97	42.73	43.52	38.51	39.87	8.95	11.82	43.24	35.99
Non-MSA AAs	230	42.36	2.03	15.44	45.65	42.36	37.83	40.17	16.09	1.24	24.73	43.82	30.21
<b>Limited Review:</b>													
Gulfport-Biloxi MSA	2	0.37	0.00	0.00	0.00	41.91	0.00	58.09	100.00	0.00	0.00	48.08	51.92
Memphis MSA	10	1.84	0.00	3.64	0.00	44.08	60.00	52.28	40.00	0.00	1.66	36.10	62.24

\* Based on 2016 Peer Mortgage Data -- US and PR

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

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

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

**Table 4a. Geographic Distribution of Home Mortgage Refinance Loans**

Assessment Area:		Geography: 2016 BANKPLUS				Evaluation Period: JANUARY 1, 2016 TO DECEMBER 31, 2016									
		HOME MORTGAGE REFINANCE		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*					
#	% of Total**	Low-Income Geographies		% Owner Occ Units***		% BANK Loans		% Owner Occ Units***		% BANK Loans		Low	Mod	Mid	Upp
		% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
<b>Full Review:</b>															
Jackson MSA	341	71.79	6.66	2.93	12.10	5.57	42.73	29.03	38.51	62.46	1.77	4.35	35.44	58.44	
Non-MSA AAs	96	20.21	2.03	0.00	15.44	10.42	42.36	46.88	40.17	42.71	0.30	6.91	40.11	52.68	
<b>Limited Review:</b>															
Gulfport-Biloxi MSA	1	0.21	0.00	0.00	0.00	0.00	41.91	0.00	58.09	100.00	0.00	0.00	35.59	64.41	
Memphis MSA	37	7.79	0.00	0.00	3.64	5.41	44.08	45.95	52.28	48.65	0.00	2.72	33.28	64.00	

\* Based on 2016 Peer Mortgage Data -- US and PR

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

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

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

**Table 5a. Geographic Distribution of Multifamily Loans**

Geographic Distribution: MULTIFAMILY		Geography: 2016 BANKPLUS				Evaluation Period: JANUARY 1, 2016 TO DECEMBER 31, 2016								
Assessment Area:	Total Multifamily Loans		Low-Income Geographies	Moderate-Income Geographies	Middle-Income Geographies	Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*						
	#	% of Total**	% of MF Units***	% MF Units**	% MF Units***	% MF Units***	% BANK Loans	Low	Mod	Mid	Upp			
<b>Full Review:</b>														
Jackson MSA	3	75.00	18.51	33.33	16.99	0.00	40.38	66.67	24.12	0.00	17.78	8.89	42.22	31.11
Non-MSA AAs	1	25.00	10.00	0.00	14.62	0.00	53.68	100.00	21.70	0.00	0.00	26.67	40.00	33.33
<b>Limited Review:</b>														
Gulfport-Biloxi MSA	0	0.00	0.00	0.00	0.00	0.00	85.57	0.00	14.43	0.00	0.00	0.00	50.00	50.00
Memphis MSA	0	0.00	0.00	0.00	6.30	0.00	82.71	0.00	10.99	0.00	0.00	0.00	71.43	28.57

\* Based on 2016 Peer Mortgage Data -- US and PR

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

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

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

**Table 6a. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES		Geography: 2016 BANKPLUS				Evaluation Period: JANUARY 1, 2016 TO DECEMBER 31, 2016							
Assessment Area:	Total Small Business Loans #	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income			
		% of Business Loans***	% of BANK Loans	% of Business**	% of BANK Loans	% of Business***	% of BANK Loans	% of Business***	% of BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>													
Jackson MSA	796	12.19	9.80	11.06	10.68	40.18	38.94	36.56	40.58	8.77	8.13	38.46	44.64
Non-MSA AAs	415	3.38	0.48	14.99	30.60	51.37	47.95	30.05	20.96	1.81	10.76	49.69	37.73
<b>Limited Review:</b>													
Gulfport-Biloxi MSA	3	0.00	0.00	0.00	0.00	54.72	33.33	45.28	66.67	4.20	23.27	51.86	20.68
Memphis MSA	91	0.00	0.00	5.23	0.00	43.69	32.97	51.08	67.03	0.00	5.07	37.03	57.90

\* Based on 2016 Peer Small Business Data -- US and PR

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

\*\*\* Source Data -- D & B (2016).

**Table 7a. Geographic Distribution of Small Loans to Farms**

Geographic Distribution: SMALL LOANS TO FARMS		Geography: 2016 BANKPLUS				Evaluation Period: JANUARY 1, 2016 TO DECEMBER 31, 2016								
Assessment Area:	Total Small Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income*			
	#	% of Total**	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Jackson MSA	190	41.67	4.48	4.21	10.83	15.26	47.99	58.42	36.71	22.11	3.24	13.51	59.73	23.51
Non-MSA AAs	251	55.04	0.73	0.00	24.55	41.04	44.91	37.05	29.82	21.91	0.00	35.79	40.53	23.68
<b>Limited Review:</b>														
Gulfport-Biloxi MSA	0	0.00	0.00	0.00	0.00	0.00	45.24	0.00	54.76	0.00	0.00	33.33	33.33	33.33
Memphis MSA	15	3.29	0.00	0.00	2.82	0.00	40.85	46.67	56.34	53.33	0.00	0.00	41.30	58.70

\* Based on 2016 Peer Small Business Data -- US and PR

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

\*\*\* Source Data - Dun and Bradstreet (2016).

**Table 8a. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE		Geography: 2016 BANKPLUS				Evaluation Period: JANUARY 1, 2016 TO DECEMBER 31, 2016								
Assessment Area:	Total Home Purchase Loans	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*				
	#	% of Total**	% Families***	% BANK Loans****	% Families*	% BANK Loans****	% Families**	% BANK Loans****	% Families*	% BANK Loans****	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Jackson MSA	666	76.46	23.27	2.75	15.83	10.03	17.94	23.46	42.95	63.75	4.39	19.98	26.57	49.05
Non-MSA AAs	143	16.42	23.41	2.94	16.34	14.71	15.86	22.79	44.39	59.56	2.51	14.34	23.99	59.16
<b>Limited Review:</b>														
Gulfport-Biloxi MSA	4	0.46	13.07	0.00	14.14	0.00	20.66	0.00	52.13	100.00	1.47	13.63	27.25	57.65
Memphis MSA	58	6.66	14.88	2.94	14.43	14.71	21.01	20.59	49.68	61.76	5.34	24.41	29.07	41.18

\* Based on 2016 Peer Mortgage Data -- US and PR

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

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

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 9.1% of loans originated and purchased by BANK.

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



**Table 9a. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT		Geography: 2016 BANKPLUS				Evaluation Period: JANUARY 1, 2016 TO DECEMBER 31, 2016							
Assessment Area:	Total Home Improvement Loans #	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*			
		% Families***	% BANK Loans****	% Families	% BANK Loans****	% Families**	% BANK Loans****	% Families*	% BANK Loans****	Low	Mod	Mid	Upp
<b>Full Review:</b>													
Jackson MSA	301	23.27	12.35	15.83	19.75	17.94	20.99	42.95	46.91	14.57	20.45	22.83	42.15
Non-MSA AAs	230	23.41	18.59	16.34	22.11	15.86	21.61	44.39	37.69	13.01	16.87	21.75	48.37
<b>Limited Review:</b>													
Gulfport-Biloxi MSA	2	13.07	50.00	14.14	0.00	20.66	0.00	52.13	50.00	6.00	12.00	10.00	72.00
Memphis MSA	10	14.88	0.00	14.43	0.00	21.01	28.57	49.68	71.43	7.02	13.16	17.11	62.72

\* Based on 2016 Peer Mortgage Data -- US and PR  
 \*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.  
 \*\*\* Percentage of Families is based on the 2010 Census information.  
 \*\*\*\* As a percentage of loans with borrower income information available. No information was available for 16.9% of loans originated and purchased by BANK.  
 \* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 10a. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: 2016 BANKPLUS		Evaluation Period: JANUARY 1, 2016 TO DECEMBER 31, 2016										
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data			
	#	% of Total	% Families	% BANK Loans****	% Families	% BANK Loans****	% Families**	% BANK Loans****	% Families**	% BANK Loans****	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Jackson MSA	341	71.79	23.27	2.36	15.83	6.40	17.94	10.77	42.95	80.47	4.40	11.86	19.48	64.26
Non-MSA AAs	96	20.21	23.41	3.66	16.34	4.88	15.86	13.41	44.39	78.05	3.83	9.17	15.70	71.30
<b>Limited Review:</b>														
Gulfport-Biloxi MSA	1	0.21	13.07	100.00	14.14	0.00	20.66	0.00	52.13	0.00	2.99	10.68	17.52	68.80
Memphis MSA	37	7.79	14.88	0.00	14.43	25.00	21.01	6.25	49.68	68.75	5.86	17.12	25.33	51.69

\* Based on 2016 Peer Mortgage Data -- US and PR

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

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

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 16.6% of loans originated and purchased by BANK.

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

**Table 11a. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: 2016 BANKPLUS		Evaluation Period: JANUARY 1, 2016 TO DECEMBER 31, 2016					
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size		Aggregate Lending Data*		
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Jackson MSA	796	60.95	82.03	72.99	77.76	11.68	10.55	9,847	4,670
Non-MSA AAs	416	31.85	78.40	89.90	87.02	7.69	5.29	4,178	2,020
<b>Limited Review:</b>									
Gulfport-Biloxi MSA	3	0.23	81.47	66.67	66.67	0.00	33.33	3,595	1,373
Memphis MSA	91	6.97	81.88	80.22	87.91	3.30	8.79	2,276	1,099

\* Based on 2016 Peer Small Business Data -- US and PR

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

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2016).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 5.97% of small loans to businesses originated and purchased by the bank.

**Table 12a. Borrower Distribution of Small Loans to Farms**

Borrower Distribution: SMALL LOANS TO FARMS		Geography: 2016 BANKPLUS		Evaluation Period: JANUARY 1, 2016 TO DECEMBER 31, 2016					
Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size		Aggregate Lending Data		
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Jackson MSA	190	41.67	95.88	86.32	73.68	17.89	8.42	370	254
Non-MSA AAs	251	55.04	93.27	73.31	77.29	15.54	7.17	380	244
<b>Limited Review:</b>									
Gulfport-Biloxi MSA	0	0.00	95.24	0.00	0.00	0.00	0.00	6	5
Memphis MSA	15	3.29	95.77	93.33	93.33	6.67	0.00	46	28

\* Based on 2016 Peer Small Business Data -- US and PR

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

\*\*\* Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2016).

\*\*\*\* Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 4.39% of small loans to farms originated and purchased by the bank.

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS														BANKPLUS			As of September 30, 2017								
Assessment Area:	Deposits			Branches						Branch Openings/Closings			Population												
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)			# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)			% of Population within Each Geography													
				Low	Mod	Upp			Low	Mod	Upp	Low	Mod	Upp											
<b>Full Review:</b>																									
Jackson MSA	70.80	31	54.39	9.68	9.68	32.26	48.39	1	1	0	0	0	0	0	12.29	14.73	41.81	31.17							
Non-MSA AAs	23.80	19	33.33	0.00	36.84	57.90	5.26	2	0	0	0	2	0	3.26	17.29	42.77	36.68								
<b>Limited Review:</b>																									
Gulfport-Biloxi MSA	0.00	0	0.00	0.00	0.00	0.00	0.00	0	1	0	0	- 1	0	0.00	0.00	48.61	51.39								
Memphis MSA	5.40	6	10.53	0.00	0.00	66.67	33.33	0	1	0	0	- 1	0	0.00	4.49	47.77	47.74								

Institution ID: BankPlus (Included)

Memphis MSA

Demographic Information for Limited Scope Area: Memphis MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	33	0.00	6.06	57.58	36.36	0.00
Population by Geography	161,252	0.00	4.49	47.77	47.74	0.00
Owner-Occupied Housing by Geography	43,239	0.00	3.64	44.08	52.28	0.00
Business by Geography	7,876	0.00	5.23	43.69	51.08	0.00
Farms by Geography	213	0.00	2.82	40.85	56.34	0.00
Family Distribution by Income Level	42,788	14.88	14.43	21.01	49.68	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	12,541	0.00	7.73	59.10	33.16	0.00
Median Family Income		56,100				
FFIEC Adjusted Median Family Income for 2016		59,100				
Households Below Poverty Level		8%				
			Median Housing Value		152,563	

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2010 US Census and 2016 FFIEC updated MFI

**Institution ID: BankPlus (Included)**

**Gulfport-Biloxi MSA**

Demographic Information for Limited Scope Area: Gulfport-Biloxi MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	4	0.00	0.00	50.00	50.00	0.00
Population by Geography	28,001	0.00	0.00	48.61	51.39	0.00
Owner-Occupied Housing by Geography	8,019	0.00	0.00	41.91	58.09	0.00
Business by Geography	1,376	0.00	0.00	54.72	45.28	0.00
Farms by Geography	42	0.00	0.00	45.24	54.76	0.00
Family Distribution by Income Level	7,759	13.07	14.14	20.66	52.13	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	2,111	0.00	0.00	58.79	41.21	0.00
Median Family Income		54,001				
FFIEC Adjusted Median Family Income for 2016		52,600				
Households Below Poverty Level		10%				
			Median Housing Value		173,723	

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2010 US Census and 2016 FFIEC updated MF