

# **PUBLIC DISCLOSURE**

March 22, 2021

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

BankPlus  
Certificate Number: 5903

202 East 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 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 (AAs), including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

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

**The Lending Test is rated Outstanding.**

- Lending levels reflect excellent responsiveness to AAs’ credit needs.
- A high percentage of loans are made in the institution’s AAs.
- The geographic distribution of loans reflects good penetration throughout the AAs.
- The distribution of borrowers reflects, given the product lines offered by the institution, good penetration among retail customers of different income levels and business and farm customers of different sizes.
- The institution makes extensive use of innovative and/or flexible lending practices in order to serve AAs’ credit needs.
- The institution is a leader in making community development (CD) loans.

**The Investment Test is rated High Satisfactory.**

- The institution has a significant level of qualified CD investments and grants, occasionally in a leadership position, particularly those that are not routinely provided by private investors.
- The institution exhibits good responsiveness to credit and CD needs.
- The institution rarely uses innovative and/or complex investments to support CD needs.

**The Service Test is rated Outstanding.**

- Delivery systems are accessible to essentially all portions of the institution's AAs.
- To the extent changes have been made, the institution's opening and closing of branches has generally 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 AAs, particularly low- and moderate-income geographies and/or individuals.
- The institution is a leader in providing CD services.

**DESCRIPTION OF INSTITUTION**

BankPlus (BP) maintains its headquarters in Belzoni, Mississippi. Bancplus Corporation, located in Ridgeland, Mississippi, wholly owns the bank. BP received an Outstanding CRA rating at the FDIC's January 8, 2018, evaluation using CRA Large Bank Procedures. The bank does not have any subsidiaries or affiliates relevant to this CRA evaluation. On March 4, 2020, BP opened a new branch in Mobile, Alabama. On April 1, 2020, BP merged with State Bank & Trust Company (SBTC), headquartered in Greenwood, Mississippi. As a result of these activities, BP entered new markets and created new AAs in Alabama, Louisiana, and Mississippi.

BP offers a full line of standard checking and savings deposit account products to consumers and businesses as well as various alternative delivery systems including mobile deposits, e-statements, telephone banking, and mobile banking. In addition, the institution offers a wide array of standard loan products to consumers and businesses, primarily focusing on home mortgage and commercial lending. BP currently operates 80 full-service offices and 138 automated teller machines (ATMs) in 14 AAs located throughout Alabama, Mississippi, and Louisiana.

As of the December 31, 2020, Reports of Condition and Income, BP's assets totaled \$4.7 billion, consisting primarily of net loans and leases of \$3.4 billion. Total deposits equaled \$4.2 billion as of the same date. For the 13 quarters since the previous evaluation, on average per year, total assets increased 22.4 percent, net loans increased 16.8 percent, and total deposits increased 23.7 percent.

As reflected in the following table, based on the December 31, 2020, Reports of Condition and Income, the institution's major loan products consist of commercial loans and home mortgage loans.

<b>Loan Portfolio Distribution</b>		
<b>Loan Category</b>	<b>\$(000)</b>	<b>%</b>
Construction & Land Development	401,932	11.8
Secured by Farmland	217,492	6.4
Secured by 1-4 Family Residential	768,938	22.5
Secured by Multi-Family Residential	59,902	1.7
Secured by Commercial Real Estate	1,171,946	34.3
Agricultural Production	85,584	2.5
Commercial and Industrial	627,048	18.4
Consumer	71,282	2.1
Other Loans	11,836	0.3
<b>Gross Loans</b>	<b>3,415,960</b>	<b>100.0</b>
<i>Source: Reports of Condition and Income (12/31/2020). Due to rounding, totals may not equal 100.0.</i>		

Examiners did not identify any financial, legal, or other impediments that affect the institution's ability to meet its AAs' credit needs.

## **DESCRIPTION OF ASSESSMENT AREAS**

For this evaluation, examiners evaluated BP's performance in one rated area, the State of Mississippi. As noted previously, BP now also operates in Alabama and Louisiana. However, given the timing of this evaluation, examiners did not evaluate the AAs in the new rated areas or the operations of the 26 branches added in 2020 since this evaluation did not include a review of reported 2020 lending data since it was not yet readily available or validated.

This evaluation includes an analysis of the following six AAs in Mississippi: 1) Jackson Metropolitan Statistical Area (MSA) AA, 2) Memphis MSA AA, 3) East Mississippi Non-MSA AA, 4) Lee Non-MSA AA, 5) Northwest Mississippi Non-MSA AA, and 6) Pearl River Non-MSA AA.

The four Non-MSA AAs are not contiguous. However, examiners did not identify any significant anomalies in performance when assessed separately, and the Non-MSA AAs reflect similar economic and demographic conditions. Therefore, for presentation purposes in this evaluation, examiners combined the performance among the four separate Non-MSA AAs, which will be collectively referred to as the Combined Non-MSA AA. The institution reasonably defined its AAs to meet CRA requirements.

Refer to the individual AAs' sections of this evaluation for additional information on each AA.

## **SCOPE OF EVALUATION**

### **General Information**

This evaluation generally covers the time period from the previous evaluation dated January 8, 2018, to the current evaluation dated March 22, 2021, unless otherwise noted. To assess

performance, examiners applied Large Bank CRA Examination Procedures, which include the Lending, Investment, and Service Tests. The appendix lists each tests' criteria.

Examiners applied full-scope procedures to the Jackson MSA AA because this area contains a majority of the bank's total loans, deposits, and branches. Examiners also applied full-scope procedures to the Memphis MSA AA since this area did not receive full-scope review at the prior two evaluations. Examiners applied limited-scope procedures to the Combined Non-MSA AA.

Examiners weighed performance in the Jackson MSA AA heavier when arriving at applicable conclusions and ratings since this area contains a majority of the institutors' total activities. Examiners weighed the Combined Non-MSA AA notably less, followed by substantially less weight afforded to the Memphis MSA AA given the limited activity in this area.

Assessment Area Breakdown of Loans, Deposits, and Branches						
Assessment Area	Loans		Deposits		Branches	
	\$(000s)	%	\$(000s)	%	#	%
Jackson MSA AA	627,045	72.8	2,301,771	73.5	32	59.3
Combined Non-MSA AA	176,872	20.5	650,222	20.7	16	29.6
Memphis MSA AA	57,388	6.7	181,249	5.8	6	11.1
<b>Total</b>	<b>861,305</b>	<b>100.0</b>	<b>3,133,242</b>	<b>100.0</b>	<b>54*</b>	<b>100.0</b>

*Source: 2018-2019 reported HMDA and CRA data; FDIC Summary of Deposits (6/30/2020). Due to rounding, totals may not equal 100.0.  
\*Excludes 26 branches (6 in Alabama, 10 in Louisiana, and 10 in Mississippi) that were not reviewed during this evaluation.*

### Activities Reviewed

For the Lending Test, CRA Large Bank procedures require examiners to consider the institution's reported home mortgage, small business, and small farm loans since the previous evaluation, as well as all reported CD loans originated since the previous evaluation. The following lists the universes of applicable products considered in this evaluation, which represent complete calendar years of available reported data since the prior evaluation. Examiners did not consider 2020 data as it was not readily available or validated prior to the evaluation.

#### Home Mortgage Loans

- 2018: 1,880 loans totaling \$318,950,000
- 2019: 2,043 loans totaling \$389,554,000

#### Small Business Loans

- 2018: 1,341 loans totaling \$120,998,000
- 2019: 1,430 loans totaling \$123,908,000

#### Small Farm Loans

- 2018: 630 loans totaling \$47,777,000
- 2019: 634 loans totaling \$48,414,000

#### CD Loans:

January 8, 2018, through December 31, 2020: 123 loans totaling \$227,411,000

Examiners reviewed the entire universes of reported home mortgage, small business, and small farm loans listed previously. As seen in the following table, lending volume reflects an emphasis on home mortgage loans, considering both number and dollar volume. Therefore, examiners afforded more weight to home mortgage loans, less weight to small business loans, and the least weight to small farm loans when arriving at applicable conclusions. Examiners did not evaluate performance regarding small farm lending in the Memphis MSA AA as there were not enough small farm loans originated in this AA to draw meaningful conclusions.

<b>Loans Reviewed</b>				
<b>Loan Type</b>	<b>\$(000)</b>	<b>%</b>	<b>#</b>	<b>%</b>
Home Mortgage	708,504	67.5	3,923	49.3
Small Business	244,906	23.3	2,771	34.8
Small Farm	96,191	9.2	1,264	15.9
<b>Total Loans</b>	<b>1,049,601</b>	<b>100.0</b>	<b>7,958</b>	<b>100.0</b>
<i>Source: 2018 and 2019 reported home mortgage and CRA data. Due to rounding, totals may not equal 100.0.</i>				

Since no trends exist between the different years’ data that materially affect applicable conclusions or ratings, this evaluation only presents 2019 home mortgage, small business, and small farm data, the most recent year for which aggregate data exists as of the evaluation date. However, examiners presented all years’ data reviewed in the Assessment Area Concentration discussion.

Examiners focused on comparisons to applicable aggregate data for home mortgage, small business, and small farm loans.

The scope for the Investment and Service Tests considered CD activities generated since the previous evaluation through December 31, 2020. The Investment Test’s scope further encompassed all prior period qualified investments (QIs) that remain outstanding as of this evaluation’s date. Examiners used the book value as of the current evaluation date for all prior period QIs that remained outstanding.

**CONCLUSIONS ON PERFORMANCE CRITERIA**

**LENDING TEST**

BP achieved an outstanding rating regarding the Lending Test. The leader level of CD loans demonstrating excellent responsiveness, excellent lending levels, and extensive use of innovative and/or flexible lending practices primarily support this conclusion. BP also demonstrated good performance records for borrower profile and geographic distribution and originated a high percentage of loans within the AAs. Conclusions regarding the institution’s overall Lending Test performance proved consistent among the AAs, with the exception of performance in the Memphis MSA AA, which fell below the institution’s overall performance.

## **Lending Activity**

Lending levels reflect excellent responsiveness to the AAs' credit needs. Excellent performance regarding home mortgage, small business, and small farm loans supports this conclusion.

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

The institution's home mortgage lending activity reflects excellent responsiveness to the AAs' credit needs. In 2019, BP originated 1,788 home mortgage loans totaling approximately \$336.9 million in its AAs. Excellent overall market shares and ranking performance in comparison to other lenders in the AAs support this conclusion. Refer to the individual AAs' sections for details.

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

The institution's small business lending activity reflects excellent responsiveness to the AAs' credit needs. In 2019, BP originated 1,183 small business loans totaling approximately \$95.0 million in its AAs. Excellent overall market shares and ranking performance in comparison to other lenders in the AAs support this conclusion. Refer to the individual AAs' sections for details.

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

The institution's small farm lending activity reflects excellent responsiveness to the AAs' credit needs. Excellent overall market shares and ranking performance in comparison to other lenders in the AAs support this conclusion. In 2019, BP originated 506 small farm loans totaling approximately \$36.5 million in its AAs. Refer to the individual AAs' sections for details.

## **Assessment Area Concentration**

A high percentage of loans are made in the institution's AAs. As seen in the following table, BP originated a high percentage of home mortgage, small business, and small farm loans in the AAs.



Lending Inside and Outside of the Assessment Areas										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2018	1,646	87.6	234	12.4	1,880	271,160	85.0	47,790	15.0	318,950
2019	1,788	87.5	255	12.5	2,043	336,866	86.5	52,689	13.5	389,554
<b>Subtotal</b>	<b>3,434</b>	<b>87.5</b>	<b>489</b>	<b>12.5</b>	<b>3,923</b>	<b>608,026</b>	<b>85.8</b>	<b>100,479</b>	<b>14.2</b>	<b>708,504</b>
Small Business										
2018	1,084	80.8	257	19.2	1,341	84,682	70.0	36,316	30.0	120,998
2019	1,183	82.7	247	17.3	1,430	95,022	76.7	28,886	23.3	123,908
<b>Subtotal</b>	<b>2,267</b>	<b>81.8</b>	<b>504</b>	<b>18.2</b>	<b>2,771</b>	<b>179,704</b>	<b>73.4</b>	<b>65,202</b>	<b>26.6</b>	<b>244,906</b>
Small Farm										
2018	511	81.1	119	18.9	630	37,126	77.7	10,651	22.3	47,777
2019	506	79.8	128	20.2	634	36,449	75.3	11,965	24.7	48,414
<b>Subtotal</b>	<b>1,017</b>	<b>80.5</b>	<b>247</b>	<b>19.5</b>	<b>1,264</b>	<b>73,575</b>	<b>76.5</b>	<b>22,616</b>	<b>23.5</b>	<b>96,191</b>
<b>Total</b>	<b>6,718</b>	<b>84.4</b>	<b>1,240</b>	<b>15.6</b>	<b>7,958</b>	<b>861,305</b>	<b>82.1</b>	<b>188,297</b>	<b>17.9</b>	<b>1,049,601</b>

Source: 2018-2019 HMDA & CRA Reported Data. Due to rounding, totals may not equal 100.0.

### **Geographic Distribution**

BP's geographic distribution of loans reflects good penetration throughout its AAs. A good record in the Jackson MSA AA outweighed adequate records in the Combined Non-MSA and Memphis MSA AAs to support 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 loans originated inside the bank's AAs.

### **Borrower Profile**

The distribution of borrowers reflects good penetration among retail customers of different income levels and businesses and farms of different sizes. Good records in the Jackson MSA and Combined Non-MSA AAs outweighed an adequate record in the Memphis MSA AA to support 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 loans originated inside the bank's AAs.

### **Innovative or Flexible Lending Practices**

The institution makes extensive use of innovative and/or flexible lending practices in order to serve the AAs' credit needs. The following table shows that since the previous evaluation, BP originated 9,147 innovative and/or flexible loans totaling approximately \$147.2 million. This dollar figure equates to 4.6 percent of average total assets of \$3.2 billion since the previous evaluation and 6.4 percent of average net loans of \$2.3 billion for the same period. This

performance reflects excellent responsiveness to the credit needs of the AAs. The significant number of small dollar loan originations augments performance as a widely used affordable product compared to payday loans and other high-interest credit offerings.

Innovative or Flexible Lending Programs – Whole Bank								
Type of Program	2018		2019		2020		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
CreditPlus	2,237	1,489	1,733	1,135	639	444	4,609	3,068
Other Small Dollar Loans	1,457	2,022	1,492	1,867	963	1,201	3,912	5,090
Affordable Housing Program	23	1,982	22	2,110	10	1,062	55	5,154
Small Business Boost (SBB)	0	0	13	1,096	11	618	24	1,714
Small Business Loans (In conjunction with SBB)	0	0	13	14,024	11	4,024	24	18,048
HOSP	7	820	2	463	3	355	12	1,638
SBA	18	7,294	23	7,165	11	9,095	52	23,554
MS Home Corp. Programs	5	416	13	1,934	3	261	21	2,611
USDA/RHS	20	2,857	18	2,974	21	3,697	59	9,528
FHA	113	17,527	97	16,793	75	13,887	285	48,207
VA	35	8,613	34	9,458	22	5,998	91	24,069
FSA	0	0	0	0	3	4,542	3	4,542
<b>Totals</b>	<b>3,915</b>	<b>43,020</b>	<b>3,460</b>	<b>59,019</b>	<b>1,772</b>	<b>45,184</b>	<b>9,147</b>	<b>147,223</b>
<i>Source: Bank Data.</i>								

The following lists details regarding innovative and/or flexible lending programs offered institution-wide across all AAs; therefore, they are not repeated in each AAs' section.

**Small Dollar Loan Programs** – The bank's small dollar consumer loan program, CreditPlus, offers several products with flexible terms and criteria. The bank promotes the CreditPlus program in its outreach efforts to expand access to the unbanked or underbanked through greater awareness of the product's availability. The program requires completion of a financial literacy course to qualify for the loan component. Other small dollar consumer loans offer loan amounts of \$2,500 or less, which can help meet consumer needs for emergency funds due to unforeseen circumstances.

**Affordable Housing Program (AHP)** – This in-house loan program offered in partnership with the Federal Home Loan Bank (FHLB) finances the purchase, construction, or rehabilitation of housing with eligibility based on individuals with low and moderate incomes. This program provides flexible loan terms by loan applicants receiving grant funds through the FHLB for down payment or closing costs assistance.

**Small Business Boost (SBB)** – A new program for BP implemented in 2019, this economic development program offered by the FHLB helps provide financing for qualified small businesses by filling the gap between what the bank can finance and the loan request made by the eligible small business. SBB funds provide a secondary, unsecured loan in conjunction with

a loan made by BP. The SBB interest rate is 0 percent, and there are no fees and no repayments due on the SBB loan in year one, which helps improve initial cash flow for the small business.

**Home Ownership Stabilization Program (HOSP)** – HOSP helps BP customers avoid foreclosure. HOSP loans offer flexible terms, such as amortization schedules up to 40 years with a 5 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.

**Commercial Programs** – BP offers commercial loans through Small Business Administration (SBA) programs to serve the credit needs of businesses in its AAs.

**Government Home Loan Programs** – BP participates in three mortgage programs for first-time homebuyers offered by the Mississippi Home Corporation, with flexible features for down payment and closing cost assistance up to \$7,000 and a tax credit at 40 percent of the interest paid annually on the mortgage. Additionally, through a well-established secondary market mortgage program, BP offers additional flexibility and attractive terms to eligible community borrowers through the availability of FHA, USDA Rural Housing, and VA government programs.

Though not reflected in the prior table, examiners noted the following additional bank activity as it relates to the Coronavirus (COVID-19) Pandemic.

**COVID-19 Pandemic Lending Activities** – The bank received favorable CRA consideration for its willingness to offer various flexible options for borrowers impacted financially by the COVID-19 pandemic. The bank assisted small business borrowers with Paycheck Protection Program (PPP) loans through the SBA. The SBA offered the PPP to provide a direct incentive for small businesses to keep their workers on the payroll. The bank originated 4,250 PPP loans totaling approximately \$299.0 million during the evaluation period. In addition, the bank offered various payment deferment options to its commercial and consumer loan customers during the evaluation period and provided 2,530 payment deferrals, extensions, and payment modifications totaling over \$1.0 billion for customers impacted financially by the pandemic.

BP continued its partnership with the FHLB awarding grants to individuals, small businesses, and community-based organizations totaling over \$1.6 million through five grant programs as follows: AHP, Homebuyer Equity Leverage Partnership (HELP), Economic Development Plan (EDP) Plus, Special Needs Assistance Program (SNAP), and Partnership Grant Program (PGP). The AHP and HELP grants provide down payment and closing cost assistance to individuals and organizations. For SNAP and PGP grant programs, the FHLB provides matching funds to the bank's funds up to a dollar limit.

Excluding CreditPlus and other small dollar loans, the level of the bank's innovative and flexible loan programs declined by number yet slightly rose by dollar amount since the prior evaluation, which reported 906 innovative or flexible loans totaling \$128.4 million. However, the trend in innovative and flexible loans shows the decline occurred only in 2020 during the COVID-19 pandemic. Therefore, the level of innovative or flexible loan programs at the current evaluation remained excellent, especially when considering the dollar volume.

## Community Development Loans

The institution is a leader in making CD loans. The institution's leadership in originating an excellent level of CD loans and excellent responsiveness to CD needs in the AAs supports this conclusion.

The following table shows that the institution originated 123 CD loans totaling over \$227.4 million. This level equates to 7.0 percent of average total assets since the previous evaluation and 9.7 percent of average net loans for the same period. The institution's CD loans represent an excellent level compared to similarly situated institutions. The level reflects a slight increase from the 6.8 percent of average total assets and a decrease from the 11.1 percent of average net loans reported at the previous evaluation.

Community Development Lending – Whole Bank										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2018	0	0	5	23,556	11	27,966	20	17,413	36	68,935
2019	4	993	2	7,120	6	35,676	27	24,388	39	68,177
2020	1	3,240	0	0	6	11,045	41	76,014	48	90,299
<b>Total</b>	<b>5</b>	<b>4,233</b>	<b>7</b>	<b>30,676</b>	<b>23</b>	<b>74,687</b>	<b>88</b>	<b>117,815</b>	<b>123</b>	<b>227,411</b>

*Source: Bank Data.*

The CD loans also reflect excellent responsiveness to the AAs' CD needs. A majority of the dollar volume of CD loans promoted revitalization and stabilization of qualifying geographies, but BP granted a reasonable volume of CD loans in all categories, which demonstrates responsiveness to multiple CD needs throughout all AAs. The following table shows CD loans by AA.

Community Development Lending by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Jackson MSA	4	993	6	28,463	13	56,149	26	30,805	49	116,410
Memphis MSA	0	0	0	0	2	1,874	1	1,001	3	2,875
Combined Non-MSA	0	0	1	2,213	7	14,174	36	39,868	44	56,255
Statewide Activities	1	3,240	0	0	1	2,490	24	32,811	26	38,541
Regional Activities	0	0	0	0	0	0	1	13,330	1	13,330
<b>Total</b>	<b>5</b>	<b>4,233</b>	<b>7</b>	<b>30,676</b>	<b>23</b>	<b>74,687</b>	<b>88</b>	<b>117,815</b>	<b>123</b>	<b>227,411</b>

*Source: Bank Data.*

The following points list examples of the institution’s statewide and regional CD lending activities:

- **Revitalization and Stabilization** – The institution originated one loan totaling \$4.4 million to purchase and lease properties for a retail shopping center located in a middle-income area that is distressed due to poverty. The project helps attract new businesses to the area.
- **Affordable Housing** – The bank originated one loan totaling approximately \$3.2 million to a multi-family and commercial property development and management company. The company manages multi-family properties across the United States including HUD projects in Mississippi. HUD projects provide reduced rents for low-and moderate-income tenants and help meet affordable housing needs within the bank’s AAs in Mississippi.

## INVESTMENT TEST

The institution achieved a high satisfactory rating regarding the Investment Test. The significant level of QIs and good responsiveness to CD needs in the AAs supports this conclusion. The institution’s performance remains consistent throughout the AAs, with the exception of the Memphis MSA AA which fell slightly below the institution’s overall performance.

### Investment and Grant Activity

The institution has a significant level of qualified CD investments and grants occasionally in a leadership position, particularly those that are not routinely provided by private investors. As seen in the following table, BP made use of 442 QIs totaling nearly \$41.1 million. The total dollar amount of QIs equates to 1.3 percent of average total assets since the previous evaluation and 9.9 percent of average total securities of \$414.9 million for the same period. The QIs exhibit a significant level compared to similarly situated institutions. The levels reflect a decrease over the 2.5 percent of average total assets but an increase from the 8.5 percent of average total securities at the previous evaluation.

Qualified Investments – Whole Bank										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	4	1,360	9	8,530	25	12,582	21	11,866	59	34,338
2018	0	0	1	250	0	0	1	200	2	450
2019	0	0	0	0	0	0	2	350	2	350
2020	0	0	2	1,499	0	0	4	1,195	6	2,694
<b>Subtotal</b>	<b>4</b>	<b>1,360</b>	<b>12</b>	<b>10,279</b>	<b>25</b>	<b>12,582</b>	<b>28</b>	<b>13,611</b>	<b>69</b>	<b>37,832</b>
Qualified Grants & Donations	23	78	300	2,847	28	148	22	169	373	3,241
<b>Total</b>	<b>27</b>	<b>1,438</b>	<b>312</b>	<b>13,126</b>	<b>53</b>	<b>12,730</b>	<b>50</b>	<b>13,780</b>	<b>442</b>	<b>41,074</b>

*Source: Bank Data. Due to rounding, totals may not reconcile.*

The following table shows QIs by AA.

Qualified Investments by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Jackson MSA	12	630	151	3,009	27	7,357	24	11,884	214	22,880
Memphis MSA	2	659	12	17	3	21	0	0	17	697
Combined Non-MSA	7	19	99	6,184	12	77	14	1,590	132	7,871
Statewide Activities	6	129	46	3,203	11	5,275	9	98	72	8,705
Regional Activities	0	0	1	14	0	0	2	9	3	22
National Activities	0	0	3	699	0	0	1	200	4	899
<b>Total</b>	<b>27</b>	<b>1,438</b>	<b>312</b>	<b>13,126</b>	<b>53</b>	<b>12,730</b>	<b>50</b>	<b>13,780</b>	<b>442</b>	<b>41,074</b>

*Source: Bank Data. Due to rounding, totals may not reconcile.*

The following lists notable examples of the institution’s statewide, regional, or national QI activities.

- **Community Service** – The institution invested deposits totaling \$699,000 in three certified Community Development Financial Institutions (CDFIs), with designations as low-income credit unions serving states in a national area with a mission to provide financial services primarily for low- and moderate-income individuals.
- **Economic Development** – The bank invested \$400,000 in a Small Business Investment Company (SBIC) benefiting the State of Mississippi. This SBIC promotes economic development by financing and providing technical assistance to small businesses.

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

BP exhibits good responsiveness to credit and CD needs. The prior tables show responsiveness through BP’s investments by dollar amount across all CD purpose categories. Two investments financed projects with tax increment financing bonds for economic development purposes. Refer to the individual AAs’ sections for details.

### **Community Development Initiatives**

BP rarely uses innovative and/or complex investments to support CD initiatives. Refer to the Jackson MSA AA section for details on a complex investment utilized by the bank. BP did not use any innovative QIs.

### **SERVICE TEST**

The institution achieved an outstanding rating regarding the Service Test. The leader level regarding CD services primarily supports this conclusion. Performance in the Combined Non-MSA AA remained consistent, while the Jackson MSA AA fell slightly below and the Memphis MSA AA fell below the institution’s overall performance in this area.

## Accessibility of Delivery Systems

Delivery systems are accessible to essentially all portions of the AAs. BP's distribution of branches and alternative delivery systems supports this conclusion.

### ***Branch Distribution***

The following table shows that in low-income census tracts, the percentage of BP's branches rises 1.5 percentage points above the population residing in those areas. The table further shows that in moderate-income census tracts, the percentage of BP's branches rises notably higher, at 10.4 percentage points above the population residing in those areas.

<b>Branch and ATM Distribution – Whole Bank</b>												
<b>Tract Income Level</b>	<b>Census Tracts</b>		<b>Population</b>		<b>Branches</b>		<b>ATMs</b>		<b>Opened Branches</b>		<b>Closed Branches</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	24	11.2	76,079	7.8	5	9.3	5	4.5	0	0.0	1	25.0
Moderate	50	23.3	170,502	17.4	15	27.8	30	27.3	0	0.0	1	25.0
Middle	72	33.5	357,504	36.6	14	25.9	24	21.8	1	50.0	2	50.0
Upper	67	31.2	368,465	37.7	20	37.0	51	46.4	1	50.0	0	0.0
NA	2	0.9	4,651	0.5	0	0.0	0	0.0	0	0.0	0	0.0
<b>Totals</b>	<b>215</b>	<b>100.0</b>	<b>977,201</b>	<b>100.0</b>	<b>54*</b>	<b>100.0</b>	<b>110*</b>	<b>100.0</b>	<b>2</b>	<b>100.0</b>	<b>4</b>	<b>100.0</b>

*Source: 2015 ACS Data & Bank Data. Due to rounding, totals may not equal 100.0.*  
*\* Excludes 26 branches (6 in Alabama, 10 in Louisiana, and 10 in Mississippi) and 28 ATMs (5 in Alabama, 11 in Louisiana, and 12 in Mississippi) not reviewed for this evaluation.*

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

The institution's alternative delivery systems are accessible to essentially all portions of the AAs. Accessible ATMs and alternative delivery systems to low- and moderate-income geographies and individuals support this conclusion.

BP operates 110 ATMs and interactive teller machines (ITMs) throughout its AAs as reflected in the prior table. The table shows that in low-income census tracts, the percentage of BP's ATMs/ITMs falls only 3.3 percentage points below the population residing in those areas. The table further shows that in moderate-income census tracts, the percentage of BP's ATMs/ITMs rises 9.9 percentage points above the population residing in those areas. Examiners placed more emphasis on performance in moderate-income tracts given the higher percentage of the population residing there.

BP expanded its use of ITMs in 2019. The ITMs are stand-alone machines that operate in interactive teller mode or ATM mode. The interactive teller mode operates from the bank's Customer Service Center in Ridgeland, Mississippi, by a team of ITM Agents. Agents are available Monday through Friday from 7:00 am to 7:00 pm and Saturdays 9:00 am to 1:00 pm. The machines operate in ATM mode when an ITM Agent is unavailable.

BP also offers the following alternative delivery systems and services in delivering retail banking services to all users, including low- or moderate-income geographies or to low- or moderate-income individuals throughout all AAs.

**CallPlus 24-Hour Banking** – This system allows customers to obtain deposit account information, transfer funds between accounts, change personal identification numbers, reorder checks, and receive credit card information through a computerized telephone answering system.

**Personal Online Banking** – This service allows customers to conduct banking transactions through a personal computer. Allowable transactions include viewing account information, viewing online statements, viewing cleared checks, fund transfers, electronic bill payment, new account opening using a secure connection, and the capability to receive account updates via email. The Personal Online Banking system has proven effective in reaching customers. As of March 2021, BP reported over 151,260 users of the Personal Online Banking system, which reflects a 35.7 percent increase from February 2018. In addition, as of March 2021, the bank’s information demonstrated that approximately 23.0 percent of customers that reside in low- or moderate-income CTs use online banking services, which is very similar to the AAs’ population in these geographies.

**Internet Deposit Account Openings** – As of March 2021, BP data noted that approximately 22.0 percent of customers that reside in low- or moderate-income CTs opened deposit accounts remotely through the internet, which is comparable to the AAs’ population in these geographies.

**Money Manager** – This service is part of online banking and gives customers insight into their financial behavior through a personal computer. This tool allows customers to consolidate accounts in one place to gain a 360 degree account view, track spending, automatically categorize spending, interact with budgets, and set financial goals.

**Text Banking** – This service is part of online banking with capabilities including checking available balance before making a purchase, fund transfers, viewing most recent transactions in a primary account, weekly notifications of primary account balance, and low balance alerts below a designated level.

**Mobile Banking** – This product allows customers to access their accounts at any time and anywhere with a web-enabled phone or with the BP Personal Mobile app for iPhone or Android. Features include taking a picture of a check using a phone and electronically depositing it to a BP account, viewing account information, electronic bill payment, push notification alerts, and GPS-based location search. As of the evaluation date, the Google Play store showed the BP Personal Mobile app downloaded over 100,000 times. Additionally, the BP Business Mobile app allows customers to check balances, view transaction history, and search transactions. As of March 2021, the bank’s information demonstrated that approximately 19.0 percent of customers that reside in low- or moderate-income CTs use mobile banking services.

**Digital Wallet** – This service allows customers to make contactless mobile payments by adding BP debit card information to a digital wallet application within a mobile device or smart watch for quick and secure payments. The digital wallet works with Apple Pay, Google Pay, Samsung Pay, Fitbit Pay, or Garmin Pay.

**Mobile Alerts** – This mobile app allows customers to monitor and control their debit card with alerts. The customer may set up customized parameters that will alert them of debit card usage.



The customer can choose to receive all transactions or only purchases of a certain size, as well as notifications when a card is declined, used in a foreign country, used in a manner other than in person (such as online), or used at an ATM. This feature allows customers to stay in touch with their spending and helps to potentially detect and prevent fraud.

**Financial Literacy App** – This mobile app is an innovative service integrating financial education into the bank’s mobile banking application for remote and on-demand availability on iPhone smartphones or tablet devices. The app contains some educational content found in CreditPlus seminars, tips and techniques for improving credit scores, financial calculators, and financial trivia. This app helps anyone build and maintain a healthy financial status by giving them practical advice anytime and anywhere. Customers can obtain the app through a QR code or by download.

**Web Chat** – Representatives remain available from 7:00 am to 7:00 pm Monday through Friday and 8:00 am to 4:00 pm on Saturday.

**Internet Mortgage Application** – Through the BP Mortgage Center, applicants can create a secure account to apply for a home purchase or home refinance through the internet.

**Remote Deposit Capture** – This fully integrated, web-based electronic payment processing system uses a check scanner to convert checks into electronic transactions (i.e. Remote Deposit Capture). Commercial customers who process numerous checks benefit the most from this product. This product provides for the same day deposit of funds sent to BP via DepositPlus.

In addition, BP regularly refers customers to the Minority Capital Fund of Mississippi, Mississippi Development Authority, Central Mississippi Planning and Development District, and other planning and development districts and small business development centers across Mississippi. The small business development centers assist these customers in developing viable business plans, cash flow projections, and pro-forma financial statements.

In 2020, BP started the Banzai program to continue outreach efforts in the community through virtual, free financial literacy courses to students at 19 schools throughout the AAs where a majority of students qualify for free or reduced lunch. The Banzai program meets the State of Mississippi standards for financial literacy. The modules cover financial topics relating to borrowing, budgeting, setting goals, spending, and building credit. Learners practice and develop healthy financial habits through real world scenarios and engaging educational interactions. Additionally, parents of students and all deposit account holders at the bank can receive program materials. A total of 415 users accessed free modules from October 2020 to December 2020. Assessment tests before and after the modules measure progress in financial confidence with an 11 point increase on average.

### **Changes in Branch Locations**

To the extent changes have been made, the institution’s opening and closing of branches did not generally adversely affect the accessibility of its delivery systems, particularly in low-and moderate-income geographies and/or to low- and moderate income individuals.

Neither of the two branches opened since the prior evaluation occurred in low- and moderate-income tracts. Two branch closings occurred in low- and moderate-income tracts. Refer to the Jackson MSA AA section for details. Customers also have accessibility to the bank's alternative delivery systems across all AAs.

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

Services, including business hours, do not vary in a way that inconveniences certain portions of the AAs, particularly low- and moderate-income geographies and/or individuals. BP maintains extended drive-up hours on weekdays and morning drive-up hours on Saturdays at a significant percentage of branches.

Over 40 percent of the bank's locations have 7:00 am to 7:00 pm drive-up hours Monday through Friday, in addition to Saturday drive-up hours. See the individual discussion of AAs' sections for additional details on specific service hours offered in each AA.

The institution provides an adequate range of products and services as well as new services that improve access to financial services for low- and moderate-income individuals. All BP services are available at all branches and all alternative delivery systems discussed bank-wide are available in all AAs.

BP offers a standard array of deposit accounts including checking, money market, personal savings, and certificates of deposit. All checking account types offer a free VISA debit card issued instantly at the time of account opening, with immediate usage and contactless payment capabilities. Business customers may utilize treasury services that help manage business finances. Customers can create, manage, and preserve personal wealth through the Wealth Management Group or digital advisor platform. BP also offers a wide range of loan products such as consumer, commercial, and home mortgage loans.

The following two new consumer services prove responsive to community needs and improve access to banking services for all AAs, including low- and moderate-income individuals.

- **Savings Made Simple** – This service lets customers round up the amount from any debit card purchase to the next whole dollar amount and transfer that amount to a BP savings account.
- **Zelle** – This service is a person-to-person payments app within online banking. Zelle allows consumers to send payments to virtually anyone in the U.S. with a bank account, moving the payment from one account directly into the account of another consumer.

### **Community Development Services**

The institution is a leader in providing CD services. The extent of CD services provided and excellent responsiveness of CD services, considering available opportunities, supports this conclusion.

The following table shows the institution provided 559 CD services since the previous evaluation, which remains at an excellent level despite a decrease from the 856 CD services provided at the prior evaluation. The COVID-19 pandemic limited the opportunity to provide in-person CD services during 2020. Therefore, the level of CD services for 2018 and 2019 received more weight in assessing the overall level of CD services. The services primarily involve personnel from the institution utilizing their technical expertise to benefit organizations or projects with a primary purpose of CD, as defined by CRA regulations.

<b>Community Development Services – Whole Bank</b>					
<b>Activity Year</b>	<b>Affordable Housing</b>	<b>Community Services</b>	<b>Economic Development</b>	<b>Revitalize or Stabilize</b>	<b>Totals</b>
	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>
2018	6	267	4	5	<b>282</b>
2019	6	230	6	3	<b>245</b>
2020	1	27	2	2	<b>32</b>
<b>Total</b>	<b>13</b>	<b>524</b>	<b>12</b>	<b>10</b>	<b>559</b>
<i>Source: Bank Data.</i>					

The following table lists the CD services by AA.

<b>Community Development Services by Assessment Area</b>					
<b>Assessment Area</b>	<b>Affordable Housing</b>	<b>Community Services</b>	<b>Economic Development</b>	<b>Revitalize or Stabilize</b>	<b>Totals</b>
	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>
Jackson MSA	2	345	11	2	<b>360</b>
Memphis MSA	0	14	0	0	<b>14</b>
Combined Non-MSA	4	133	0	3	<b>140</b>
Statewide	7	32	1	5	<b>45</b>
<b>Total</b>	<b>13</b>	<b>524</b>	<b>12</b>	<b>10</b>	<b>559</b>
<i>Source: Bank Data.</i>					

The CD services demonstrate excellent responsiveness and high qualitative impact in helping improve consumer and small business finances for unbanked and underbanked individuals and businesses. BP serves as a leader in these financial literacy programs as shown by the number of participants, types of programs covered, partnerships with schools, assisting in access to credit products at community organization locations outside of bank branches, and tying banking products to the content of the education program. Participants may be eligible to apply for banking products, some with flexible underwriting to help qualify, after attending some seminars.

As a certified CDFI, BP received Financial Assistance and Bank Enterprise Awards in 2018 and 2019 totaling \$2.1 million for providing access to financial products and services to residents of distressed communities.

BP offers a Carefree Checking Account designed for people wanting a simple, low-cost account, which does not have a required minimum balance to maintain, a \$100 required minimum opening deposit, and no monthly service fee with online only statements.

BP also provides technical assistance and processes grant applications through five different FHLB grant programs to provide down payment, closing cost, or matching funds assistance to individuals and organizations.

The following lists examples of the bank's notable CD services in statewide areas.

- ***Affordable Housing*** – An employee serves on the fundraising committee for a public-private partnership between city government, local financial institutions, public utilities, and community-based groups. The organization operates programs that increase and sustain homeownership, while offering services that assist eligible low- and moderate-income families in obtaining affordable housing.
- ***Community Service*** – An employee serves on the steering committee for an organization with a campaign to help fund construction of a new wing of a children's hospital. Approximately 78 percent of the patients qualify for Medicaid.
- ***Community Service*** – An employee serves as a director for an organization that distributes more than 1.5 million pounds of food and feeds more than 150,000 low- and moderate-income individuals every month.

Refer to the individual discussions within the full-scope AAs' sections for examples of CD services specific to each AA.

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

Examiners did not identify any evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs. Therefore, this consideration did not affect the overall rating.

### **JACKSON MSA AA – Full-Scope Review**

#### **DESCRIPTION OF INSTITUTION'S OPERATIONS IN JACKSON MSA AA**

The Jackson MSA AA encompasses the following counties: Hinds, Holmes, Madison, Rankin, and Yazoo. The AA includes five of the seven counties that comprise the Jackson MSA. The institution operates 32 full-service branches and 74 ATMs in the Jackson MSA AA.

## **Economic and Demographic Data**

The 123 tracts in the Jackson MSA AA reflect the following income designations based on 2015 ACS data: 21 low-, 32 moderate-, 33 middle-, and 36 upper-income tracts and 1 tract with no income designation. Some counties received a major disaster designation between 2019 to 2020 from severe storms, and all counties received a disaster designation in 2020 due to the COVID-19 pandemic.

The following table notes certain demographic data for the AA.

<b>Demographic Information of the Assessment Area – Jackson MSA AA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	123	17.1	26.0	26.8	29.3	0.8
Population by Geography	539,520	12.8	19.8	32.2	34.4	0.9
Housing Units by Geography	220,650	13.1	20.6	32.7	33.6	0.0
Owner-Occupied Units by Geography	128,660	7.6	15.1	33.9	43.4	0.0
Occupied Rental Units by Geography	66,031	19.6	27.9	32.7	19.8	0.0
Vacant Units by Geography	25,959	24.2	29.4	26.7	19.7	0.1
Businesses by Geography	43,740	8.2	18.0	31.6	42.1	0.1
Farms by Geography	1,415	4.9	12.7	37.2	45.1	0.1
Family Distribution by Income Level	133,836	23.2	16.5	17.7	42.6	0.0
Household Distribution by Income Level	194,691	25.2	15.2	16.0	43.6	0.0
Median Family Income - Jackson, MS MSA	\$55,459		Median Housing Value			\$130,927
			Median Gross Rent			\$796
			Families Below Poverty Level			15.2%

*Source: 2015 ACS and 2019 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.*

The FFIEC reported 2018 and 2019 median family incomes for the Jackson MSA of \$60,700 and \$60,400, respectively. The following table denotes the income ranges for the low-, moderate-, middle- and upper-income designations.

<b>Median Family Income Ranges – Jackson MSA</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>
2018 (\$60,700)	<\$30,350	\$30,350 to <\$48,560	\$48,560 to <\$72,840	≥\$72,840
2019 (\$60,400)	<\$30,200	\$30,200 to <\$48,320	\$48,320 to <\$72,480	≥\$72,480

*Source: FFIEC.*

According to Moody's Analytics, as of December 2020, major employers throughout the Jackson MSA AA include University of Mississippi Medical Center, Merit Health, Nissan, and Baptist Health Systems. According to the U.S. Bureau of Labor Statistics, as of November 2020, the Jackson MSA AA reported an unemployment rate of 5.9 percent.

### **Competition**

The Jackson MSA AA includes 28 financial institutions operating 200 branches throughout the AA. According to June 30, 2020, FDIC Summary of Deposits data, BP ranked 3<sup>rd</sup> in deposit market share with 14.4 percent of the AA's deposits. The 2019 peer mortgage data and 2019 peer small business data indicate there are 305 home mortgage loan reporters, 98 small business reporting lenders, and 18 small farm reporting lenders in this AA. Overall, the competition level allows for lending opportunities.

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

Considering information from the institution's management and demographic and economic information, examiners ascertained that the primary credit needs of the area include home mortgage and small business loans.

Demographic data also showing that 39.7 percent of the area's families reported low or moderate incomes suggest a need for CD activities that benefit projects or organizations that provide community services targeted to these families. In addition, 43.1 percent of the area's census tracts receiving low- or moderate-income designations, as well as the counties in the area designated as federal disaster areas during the evaluation period suggests a need for activities that revitalize or stabilize qualifying geographies. The 2019 FDIC Survey of Household Use of Banking and Financial Services noted that the unbanked rate for all households by MSA was at 17.1 percent for the Jackson MSA, the highest unbanked rate of the 63 MSAs in the survey. A significant need exists to effectively reach the unbanked with responsible and affordable retail banking products and services. These efforts include technological advancements and other processes to help these individuals overcome perceived or actual barriers to entry in the banking system.

## **CONCLUSIONS ON PERFORMANCE CRITERIA IN JACKSON MSA AA**

### **LENDING TEST**

BP demonstrated an outstanding record in the Jackson MSA AA regarding the Lending Test. Excellent lending levels, good records regarding geographic distribution and borrower profile, and leadership in granting CD loans support this conclusion.

### **Lending Activity**

Lending levels reflect excellent responsiveness to the AA's credit needs. Excellent records for home mortgage, small business, and small farm lending support this conclusion.

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

The institution originated 1,239 mortgage loans totaling approximately \$255.5 million in 2019. BP's volume of home mortgage lending activity ranks 3<sup>rd</sup> out of 305 reporting home mortgage lenders in the Jackson MSA AA, which positions BP in the top one percent of lenders reporting home mortgage loans in the AA and reflects excellent performance.

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

The institution originated 726 small business loans totaling approximately \$63.8 million in 2019. BP's volume of activity ranks 4<sup>th</sup> out of 98 reporting lenders in the Jackson MSA AA. This activity positions BP in the top five percent of lenders reporting small business loans in the AA, reflecting excellent performance.

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

The institution originated 271 small farm loans totaling approximately \$22.8 million in 2019. In the Jackson MSA AA, BP's volume of activity ranks 1<sup>st</sup> out of 18 reporting lenders, reflecting excellent performance.

### **Geographic Distribution**

The geographic distribution of loans reflects good penetration throughout the Jackson MSA AA. Good performance regarding small business and small farm loans sufficiently lifted adequate performance regarding home mortgage loans to support this conclusion.

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

The geographic distribution of home mortgage loans reflects adequate penetration throughout the Jackson MSA AA. Adequate performance in low- and moderate-income geographies supports this conclusion.

As seen in the following table, BP's lending in low-income census tracts slightly exceeds aggregate by 2.3 percentage points, reflecting adequate performance. The institution's lending performance in moderate-income census tracts also slightly exceeds aggregate data by 1.4 percentage points, reflecting adequate performance.

<b>Geographic Distribution of Home Mortgage Loans - Jackson MSA AA</b>						
<b>Tract Income Level</b>	<b>% of Owner-Occupied Housing Units</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	7.6	1.8	51	4.1	3,860	1.5
Moderate	15.1	6.3	95	7.7	7,704	3.0
Middle	33.9	29.0	251	20.3	40,112	15.7
Upper	43.4	62.8	842	68.0	203,805	79.8
Not Available	0.0	0.0	0	0.0	0	0.0
<b>Totals</b>	<b>100.0</b>	<b>100.0</b>	<b>1,239</b>	<b>100.0</b>	<b>255,480</b>	<b>100.0</b>

*Source: 2015 ACS Data; 2019 HMDA Data; 2019 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0.*

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

The geographic distribution of small business loans reflects good penetration throughout the Jackson MSA AA. Good performance in low- and moderate-income geographies supports this conclusion.

As seen in the following table, the institution's lending in low-income census tracts exceeds aggregate by 7.7 percentage points, exhibiting good performance. BP's lending in moderate-income census tracts exceeds aggregate by 7.8 percentage points, also reflecting good performance.

<b>Geographic Distribution of Small Business Loans - Jackson MSA AA</b>						
<b>Tract Income Level</b>	<b>% of Businesses</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	8.2	7.0	107	14.7	5,170	8.1
Moderate	18.0	15.5	169	23.3	13,298	20.8
Middle	31.6	30.4	189	26.0	15,730	24.6
Upper	42.1	47.1	261	36.0	29,644	46.4
Not Available	0.1	0.0	0	0.0	0	0.0
<b>Totals</b>	<b>100.0</b>	<b>100.0</b>	<b>726</b>	<b>100.0</b>	<b>63,842</b>	<b>100.0</b>

*Source: 2019 D&B Data; 2019 CRA Data; 2019 CRA Aggregate Data. Due to rounding, totals may not equal 100.0.*

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

The geographic distribution of small farm loans reflects good penetration throughout the Jackson MSA AA. Good performance in low-income geographies sufficiently outweighs adequate performance in moderate-income geographies to support this conclusion.

As seen in the following table, the institution's lending in low-income census tracts exceeds aggregate data by 8.1 percentage points, exhibiting good performance. BP's lending in moderate-income census tracts exceeds aggregate by 6.9 percentage points, reflecting an adequate level.

<b>Geographic Distribution of Small Farm Loans - Jackson MSA AA</b>						
<b>Tract Income Level</b>	<b>% of Farms</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	4.9	11.8	54	19.9	5,759	25.2
Moderate	12.7	20.8	75	27.7	6,885	30.2
Middle	37.2	36.8	79	29.2	4,883	21.4
Upper	45.1	30.6	63	23.2	5,307	23.2
Not Available	0.1	0.0	0	0.0	0	0.0
<b>Totals</b>	<b>100.0</b>	<b>100.0</b>	<b>271</b>	<b>100.0</b>	<b>22,834</b>	<b>100.0</b>

*Source: 2019 D&B Data; 2019 CRA Data; 2019 CRA Aggregate Data. Due to rounding, totals may not equal 100.0.*



## **Borrower Profile**

The distribution of borrowers reflects, given the product lines offered by the institution, good penetration among retail customers of different income levels and business and farm customers of different sizes in the Jackson MSA AA. Excellent performance regarding small business and small farm loans sufficiently outweighs adequate performance regarding home mortgage loans to support this conclusion.

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

The distribution of borrowers reflects adequate penetration among retail customers of different income levels in the Jackson MSA AA. Adequate performance to low- and moderate-income borrowers supports this conclusion.

As seen in the following table, BP's lending to low-income borrowers falls 0.8 percentage points below aggregate data, revealing adequate performance. The table further shows that to moderate-income borrowers, BP's lending falls 6.4 percentage points below the aggregate data, reflecting adequate performance.

<b>Distribution of Home Mortgage Loans by Borrower Income Level – Jackson MSA AA</b>						
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	23.2	3.9	39	3.1	2,319	0.9
Moderate	16.5	12.9	80	6.5	8,006	3.1
Middle	17.7	18.9	182	14.7	24,257	9.5
Upper	42.6	44.6	788	63.6	174,459	68.3
Not Available	0.0	19.7	150	12.1	46,440	18.2
<b>Totals</b>	<b>100.0</b>	<b>100.0</b>	<b>1,239</b>	<b>100.0</b>	<b>255,480</b>	<b>100.0</b>

*Source: 2015 ACS Data; 2019 HMDA Data; 2019 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0.*

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

The distribution of borrowers reflects excellent penetration among business customers of different sizes in the Jackson MSA AA. Excellent performance to businesses with gross annual revenue of \$1 million or less supports this conclusion. As seen in the following table, BP's lending to businesses with gross annual revenue of \$1 million or less rises 38.7 percentage points higher than aggregate data, reflecting excellent performance.

<b>Distribution of Small Business Loans by Gross Annual Revenue Category – Jackson MSA AA</b>						
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<=\$1,000,000	84.6	40.2	573	78.9	43,896	68.8
>1,000,000	4.8	--	99	13.6	17,670	27.7
Revenue Not Available	10.7	--	54	7.4	2,276	3.6
<b>Totals</b>	<b>100.0</b>	<b>100.0</b>	<b>726</b>	<b>100.0</b>	<b>63,842</b>	<b>100.0</b>

Source: 2019 D&B Data; 2019 CRA Data; 2019 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0.

***Small Farm Loans***

The distribution of borrowers reflects excellent penetration among farms of different sizes in the Jackson MSA AA. Excellent performance to farms with gross annual revenue of \$1 million or less supports this conclusion. As seen in the following table, BP’s lending to farms with gross annual revenue of \$1 million or less rises 18.7 percentage points higher than aggregate data, reflecting excellent performance.

<b>Distribution of Small Farm Loans by Gross Annual Revenue Category – Jackson MSA AA</b>						
<b>Gross Revenue Level</b>	<b>% of Farms</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<=\$1,000,000	96.3	64.7	226	83.4	16,396	71.8
>1,000,000	2.0	--	32	11.8	5,215	22.8
Revenue Not Available	1.7	--	13	4.8	1,223	5.4
<b>Totals</b>	<b>100.0</b>	<b>100.0</b>	<b>271</b>	<b>100.0</b>	<b>22,834</b>	<b>100.0</b>

Source: 2019 D&B Data; 2019 CRA Data; 2019 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0.

**Community Development Loans**

The institution is a leader in making CD loans in the Jackson MSA AA. The excellent level of loans and excellent responsiveness to CD needs in this AA support this conclusion.

As seen in the following table, BP originated 49 CD loans totaling approximately \$116.4 million in the Jackson MSA AA. By dollar, this equates to 51.2 percent of the institution’s total CD loans and reflects excellent performance considering its fair share contribution to the overall excellent level of CD loans.

Community Development Lending – Jackson MSA AA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2018	0	0	4	21,343	7	21,922	7	6,903	18	50,168
2019	4	993	2	7,120	3	27,321	9	8,910	18	44,344
2020	0	0	0	0	3	6,906	10	14,992	13	21,898
<b>Total</b>	<b>4</b>	<b>993</b>	<b>6</b>	<b>28,463</b>	<b>13</b>	<b>56,149</b>	<b>26</b>	<b>30,805</b>	<b>49</b>	<b>116,410</b>

*Source: Bank Data.*

The following points provide examples of notable CD loans in the Jackson MSA AA:

- **Revitalize/Stabilize** – The institution originated a loan totaling \$1.5 million to a CDFI operating in the Jackson area. The CDFI’s mission is to strengthen communities, build assets, and improve lives in economically distressed areas by providing access to high quality financial products and services.
- **Economic Development** – The institution originated a loan totaling \$22.5 million to provide financing for a major redevelopment project in Jackson. The project offers over 81,000 square feet of retail, office, and restaurant space that created many permanent low- and moderate-income jobs in the area.
- **Affordable Housing** – The institution originated four loans totaling \$1.0 million that provided for the financing and renovation of 46 affordable housing units. The rents for all units benefit those with low- and moderate-incomes.

BP’s CD loans reflect excellent responsiveness to the CD needs of the AA. As seen in the prior table, BP engaged in CD activities in all categories, but most notably within economic development, community services, and revitalize or stabilize. As noted previously, activities that provide community services for low- and moderate-income individuals and revitalize or stabilize qualifying geographies represent primary CD needs in the AA.

## INVESTMENT TEST

BP demonstrated a high satisfactory record in the Jackson MSA AA regarding the Investment Test. A significant level of QIs and good responsiveness to CD needs support this conclusion.

### Investment and Grant Activity

The institution has a significant level of qualified community investments and grants, occasionally in a leadership position, particularly those that are not routinely provided by private investors, in the Jackson MSA AA. As seen in the following table, BP made 214 QIs totaling approximately \$22.9 million in the Jackson MSA AA. By dollar volume, this equates to 55.7 percent of the institution’s total QIs and reflects a fair share contribution the institution’s overall significant level.

Qualified Investments – Jackson MSA AA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	1	587	3	2,301	23	7,351	11	10,611	38	20,849
2018	0	0	0	0	0	0	0	0	0	0
2019	0	0	0	0	0	0	2	350	2	350
2020	0	0	0	0	0	0	2	880	2	880
<b>Subtotal</b>	<b>1</b>	<b>587</b>	<b>3</b>	<b>2,301</b>	<b>23</b>	<b>7,351</b>	<b>15</b>	<b>11,841</b>	<b>42</b>	<b>22,079</b>
Qualified Grants & Donations	11	44	148	708	4	7	9	43	172	801
<b>Total</b>	<b>12</b>	<b>630</b>	<b>151</b>	<b>3,009</b>	<b>27</b>	<b>7,357</b>	<b>24</b>	<b>11,884</b>	<b>214</b>	<b>22,880</b>
<i>Source: Bank Data.</i>										

The following lists examples of QIs in the Jackson MSA AA:

- **Revitalize and Stabilize** - The institution purchased investments totaling approximately \$9.4 million for the construction and improvement of school facilities in the Madison County school district. These investments revitalize and stabilize low- and moderate-income areas by improving essential educational facilities.
- **Economic Development** - The institution provided investments with tax increment financing totaling approximately \$6.0 million for the construction of a major retail center. The funds allowed small businesses to open in the retail center creating a significant number of jobs for low- and moderate-income individuals.

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

BP exhibits good responsiveness to credit and CD needs in the Jackson MSA AA. The prior tables show responsiveness based on BP’s investments by dollar amount primarily supporting CD purposes for economic development and revitalization and stabilization of designated areas. Two investments financed projects through the Cities of Flowood and Madison with tax increment financing bonds for economic development purposes.

### **Community Development Initiatives**

BP rarely uses innovative and/or complex investments to support CD initiatives in the Jackson MSA AA. One complex investment totaling approximately \$587,000 used low-income housing tax credit investments to finance an affordable housing project. The degree of leadership for this type of complex investment included significant time and special expertise. BP did not use innovative QIs, which remains consistent with that discussed previously for the institution as a whole.

## SERVICE TEST

BP demonstrated a high satisfactory record in the Jackson MSA AA regarding the Service Test. A leader level of CD services, reasonably accessible delivery systems, and changes in branch locations support this conclusion.

### Accessibility of Delivery Systems

Delivery systems prove reasonably accessible to essentially all portions of the Jackson MSA AA. Adequate records for both the branch distribution and alternative delivery systems support this conclusion.

#### ***Branch Distribution***

The following table shows that in low-income census tracts, the percentage of BP's branches rises 2.8 percentage points above the population residing in those areas. The table further shows that in moderate-income census tracts, the percentage of BP's branches falls 1.0 percentage points below the population residing in those areas. Performance in both areas reflects a reasonable record.

<b>Branch and ATM Distribution – Jackson MSA AA</b>												
<b>Tract Income Level</b>	<b>Census Tracts</b>		<b>Population</b>		<b>Branches</b>		<b>ATMs</b>		<b>Opened Branches</b>		<b>Closed Branches</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	21	17.1	68,842	12.8	5	15.6	5	6.8	0	0.0	1	33.3
Moderate	32	26.0	106,667	19.8	6	18.8	16	21.6	0	0.0	1	33.3
Middle	33	26.8	173,890	32.2	6	18.8	15	20.3	0	0.0	1	33.3
Upper	36	29.3	185,470	34.4	15	46.9	38	51.4	0	0.0	0	0.0
NA	1	0.8	4,651	0.9	0	0.0	0	0.0	0	0.0	0	0.0
<b>Totals</b>	<b>123</b>	<b>100.0</b>	<b>539,520</b>	<b>100.0</b>	<b>32</b>	<b>100.0</b>	<b>74</b>	<b>100.0</b>	<b>0</b>	<b>100.0</b>	<b>3</b>	<b>100.0</b>

*Source: 2015 ACS Data & Bank Data. Due to rounding, totals may not equal 100.0.*

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

The institution's ATMs/ITMs and alternative delivery systems are reasonably accessible throughout the AA. As seen in the prior table, the percentage of BP's ATMs/ITMs falls 6.0 percentage points below the population residing in low-income areas. The table further shows that in moderate-income census tracts, the percentage of BP's ATMs/ITMs rises 1.8 percentage points above the population residing in those areas.

As of March 2021, the bank's information revealed that approximately 26.0 percent of customers that reside in low- or moderate-income CTs in the Jackson MSA AA use online banking services. Approximately 19.0 percent of customers that reside in low- or moderate-income CTs in the Jackson MSA AA use mobile banking services.

Refer to the institution level Service Test section for specific details of other types of alternative delivery systems offered in the Jackson MSA AA, which remain consistent with the institution as a whole.

### **Changes in Branch Locations**

To the extent changes have been made, the institution’s opening and closing of branches in the Jackson MSA AA did generally not adversely affect the accessibility of its delivery systems, particularly in low-and moderate-income geographies and/or to low- and moderate income individuals.

BP did not open any branches in the Jackson MSA AA during the evaluation period. Of the three branches closed since the last evaluation, two occurred in low- and moderate-income tracts. The closing of the Yazoo City branch in a low-income tract and the closing of the Bentonia branch in a moderate-income tract generally did not adversely affect the accessibility of delivery systems in these geographies. BP operates other branch locations in Yazoo City and Flora, which are located within two census tracts of the closed branches. Customers also have accessibility to the bank’s alternative delivery systems.

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

Services, including business hours, do not vary in a way that inconveniences portions of the AAs, particularly low- and moderate-income geographies and/or individuals. BP maintains extended drive-up hours on weekdays and morning drive-up hours on Saturdays at a significant percentage of branches.

Over 43 percent of the bank’s locations in the Jackson MSA AA operate with 7:00 am to 7:00 pm drive-up hours Monday through Friday, in addition to Saturday drive-up hours. Additionally, BP accommodates employees of the Canton plant of Nissan North America, Inc. with flexible hours of 5:45 am to 8:00 am and 10:00 am to 5:00 pm Monday through Friday.

### **Community Development Services**

The institution is a leader in providing CD services in the Jackson MSA AA. The following table shows the institution provided 360 CD services since the previous evaluation in the Jackson MSA AA. Service activities demonstrate excellent responsiveness to CD needs for general financial literacy for students, adults, and small business owners; opportunities for individuals to understand tracking finances; and other ways to improve business financials.

<b>Community Development Services – Jackson MSA AA</b>					
<b>Activity Year</b>	<b>Affordable Housing</b>	<b>Community Services</b>	<b>Economic Development</b>	<b>Revitalize or Stabilize</b>	<b>Totals</b>
	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>
2018	1	180	4	1	<b>186</b>
2019	1	146	5	0	<b>152</b>
2020	0	19	2	1	<b>22</b>
<b>Total</b>	<b>2</b>	<b>345</b>	<b>11</b>	<b>2</b>	<b>360</b>

*Source: Bank Data.*

The following lists examples of CD services in the Jackson MSA AA:

- **Community Service** – Employees reached a total of 485 students at 9 schools through financial literacy outreach efforts through the following programs: American Bankers Association Education Foundation’s Teach Children to Save and Get Smart About Credit initiatives as well as the Mississippi Bankers Association’s “A Banker in Every Classroom.” A majority of students in the schools qualify for free or reduced lunches.
- **Community Service** – BP hosted 99 CreditPlus financial seminars, reaching 5,671 participants in the Jackson MSA AA. 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.
- **Community Service** – BP hosted a series of BusinessPlus financial seminars, reaching 405 participants in the Jackson MSA AA. BusinessPlus is a short-term, business loan product designed to assist unbanked and/or underbanked small business owners. In addition to small dollar/short term financing, the program provides training and mentoring for small business owners to advance business, financial, and leadership skills. The goal for BusinessPlus is to offer training and financial resources that will allow small business owners to upgrade their business financial practices and create a more profitable business. Following the seminar, participants qualify to apply for a BusinessPlus small business loan with flexible underwriting standards.

## **MEMPHIS MSA AA – Full-Scope Review**

### **DESCRIPTION OF INSTITUTION’S OPERATIONS IN MEMPHIS MSA AA**

The Memphis MSA AA encompasses all of DeSoto County. The AA includes one of the seven counties that comprise the Memphis MSA. The institution operates six full-service branches and seven ATMs in the Memphis MSA AA.

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

The 33 tracts in the Memphis MSA AA reflect the following income designations based on 2015 ACS data: 5 moderate-, 17 middle-, and 11 upper-income tracts. DeSoto County received major disaster area designations in 2020 from severe storms and the COVID-19 pandemic.

The following table notes certain demographic data for the area.

<b>Demographic Information of the Assessment Area – Memphis MSA AA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	33	0.0	15.2	51.5	33.3	0.0
Population by Geography	168,586	0.0	10.9	44.7	44.4	0.0
Housing Units by Geography	63,321	0.0	11.5	45.3	43.2	0.0
Owner-Occupied Units by Geography	44,036	0.0	7.3	40.9	51.8	0.0
Occupied Rental Units by Geography	15,974	0.0	22.0	56.2	21.8	0.0
Vacant Units by Geography	3,311	0.0	16.8	50.9	32.3	0.0
Businesses by Geography	10,232	0.0	8.8	42.6	48.6	0.0
Farms by Geography	277	0.0	5.1	38.3	56.7	0.0
Family Distribution by Income Level	44,207	14.2	16.2	21.7	47.9	0.0
Household Distribution by Income Level	60,010	15.6	13.5	19.7	51.3	0.0
Median Family Income - Memphis, TN-MS-AR MSA	\$58,214		Median Housing Value			\$146,722
			Median Gross Rent			\$976
			Families Below Poverty Level			7.0%
<i>Source: 2015 ACS data and 2019 D&amp;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.</i>						

The FFIEC reported 2018 and 2019 median family incomes for the Memphis MSA of \$63,400 and \$63,700, respectively. The following table denotes the income ranges for the low-, moderate-, middle- and upper-income designations.

<b>Median Family Income Ranges – Memphis MSA</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>
2018 (\$63,400)	<\$31,700	\$31,700 to <\$50,720	\$50,720 to <\$76,080	≥\$76,080
2019 (\$63,700)	<\$31,850	\$31,850 to <\$50,960	\$50,960 to <\$76,440	≥\$76,440
<i>Source: FFIEC.</i>				

According to Moody’s Analytics, as of December 2020, major employers throughout the Memphis MSA AA include FedEx Corp., Methodist Le Bonheur Healthcare, Baptist Memorial Healthcare Corp., and The Kroger Co. According to a City of Southaven (located in DeSoto County) report, the industrial development from the opening of Google, Medline, and Spectra Laboratories created 1,400 jobs with many being high paying for the area. According to the U.S. Bureau of Labor Statistics, as of November 2020, the unemployment rate for DeSoto County was 6.4 percent.



## **Competition**

The Memphis MSA AA includes 18 financial institutions operating 63 branches throughout the AA. According to June 30, 2020, FDIC Summary of Deposits data, BP ranked 6<sup>th</sup> in deposit market share with 5.4 percent of the AA's deposits. The 2019 peer mortgage data and 2019 peer small business data indicate there are 271 home mortgage loan reporters, 64 small business reporting lenders, and 12 small farm loan reporters in the AA. Overall, the competition level allows for lending opportunities.

## **Community Contact**

As part of the evaluation process, examiners contact third party active in the AA to assist in identifying the credit and CD needs. This information helps determine local financial institutions' responsiveness to these needs and shows available credit and CD opportunities.

Examiners contacted a representative from a housing organization serving all of Mississippi. The agency's mission is to strengthen Mississippi by investing in affordable housing. More specifically, the agency devotes resources for affordable homeownership and affordable rental housing and assists developers with access to capital.

Since a large segment of borrowers cannot qualify for a mortgage due to credit score, the contact said a need exists for lenders to consider alternative data in lending models not looking at credit scores or reducing the weight of credit scores. While lenders need to maintain credit quality, the evaluation of additional or alternative factors can better predict a borrower's credit risk. He said a need exists to increase manufactured home lending in rural areas since these homes are more affordable to rural loan applicants. The contact stated that lenders need to have more substance in their community outreach focusing on getting people on paths to action and financial choices that are proven successful. The outreach needs to look at incentives for people to change their behavior regarding finances, such as matching funds in deposit accounts.

The contact acknowledged BP for its proactive commitment to financial counseling in the community and said more lenders need to revamp their financial counseling in the community to increase its quality and effectiveness. The contact did not state any specific unmet CD opportunities for bank participation.

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

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that home mortgage and small business loans represent primary credit needs for the AA.

With respect to the area's CD needs, affordable housing is at an all-time high demand given the increased cost and limited availability of housing throughout the AA. Demographic data also showing that 39.7 percent of the area's families reported low or moderate incomes suggests a need for CD activities that benefit projects or organizations that provide community services

targeted to these families. DeSoto County being designated as a disaster area during the evaluation period suggests a need for activities that revitalize or stabilize qualifying geographies.

The 2019 FDIC Survey of Household Use of Banking and Financial Services noted that the unbanked rate for all households by MSA was at 17.0 percent for the Memphis MSA, the second highest unbanked rate of the 63 MSAs in the survey. A significant need exists to effectively reach the unbanked with responsible and affordable retail banking products and services. These efforts include technological advancements and other processes to help these individuals overcome perceived or actual barriers to entry in the banking system.

## **CONCLUSIONS ON PERFORMANCE CRITERIA IN MEMPHIS MSA AA**

### **LENDING TEST**

BP demonstrated a low satisfactory record in the Memphis MSA AA regarding the Lending Test. Adequate records regarding geographic distribution, borrower profile, and CD lending support this conclusion. BP also demonstrated an excellent record regarding lending activity.

#### **Lending Activity**

Lending levels reflect excellent responsiveness to the AA's credit needs. Excellent records regarding home mortgage loans outweighed good records regarding small business loans to support this conclusion.

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

The institution originated 136 mortgage loans totaling approximately \$22.3 million in 2019. BP ranked 18<sup>th</sup> out of 271 reporting lenders in the Memphis MSA AA, which positions BP in the top 10 percent of lenders reporting home mortgage loan in the AA and reflects excellent performance.

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

The institution originated 77 small business loans totaling approximately \$7.7 million. BP's lending activity ranks 10<sup>th</sup> out of 66 reporting lenders in the Memphis MSA AA. This activity positions BP in the top 15 percent of lenders reporting small business loans in the AA, reflecting good performance.

#### **Geographic Distribution**

The geographic distribution of loans reflects adequate penetration throughout the Memphis MSA AA. Adequate performance regarding home mortgage and small business lending supports this conclusion.

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

The geographic distribution of home mortgage loans reflects adequate penetration throughout the Memphis MSA AA. Adequate performance in moderate-income geographies supports this conclusion. As seen in the following table, BP's lending in moderate-income census tracts falls 3.0 percentage points below aggregate data, reflecting an adequate level.

<b>Geographic Distribution of Home Mortgage Loans - Memphis MSA AA</b>						
<b>Tract Income Level</b>	<b>% of Owner-Occupied Housing Units</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	0.0	0.0	0	0.0	0	0.0
Moderate	7.3	5.2	3	2.2	244	1.1
Middle	40.9	35.0	51	37.5	8,304	37.3
Upper	51.8	59.8	82	60.3	13,718	61.6
Not Available	0.0	0.0	0	0.0	0	0.0
<b>Totals</b>	<b>100.0</b>	<b>100.0</b>	<b>136</b>	<b>100.0</b>	<b>22,266</b>	<b>100.0</b>

*Source: 2015 ACS Data; 2019 HMDA Data; 2019 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0.*

***Small Business Loans***

The geographic distribution of small business loans reflects adequate penetration throughout the Memphis MSA AA. Adequate performance in moderate-income geographies supports this conclusion. As seen in the following table, the institution’s lending in moderate-income census tracts falls 1.6 percentage points below aggregate data, reflecting an adequate level.

<b>Geographic Distribution of Small Business Loans - Memphis MSA AA</b>						
<b>Tract Income Level</b>	<b>% of Businesses</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	0.0	0.0	0	0.0	0	0.0
Moderate	8.8	5.5	3	3.9	29	0.4
Middle	42.6	40.5	34	44.2	4,643	60.1
Upper	48.6	54.0	40	51.9	3,052	39.5
Not Available	0.0	0.0	0	0.0	0	0.0
<b>Totals</b>	<b>100.0</b>	<b>100.0</b>	<b>77</b>	<b>100.0</b>	<b>7,724</b>	<b>100.0</b>

*Source: 2019 D&B Data; 2019 CRA Data; 2019 CRA Aggregate Data. Due to rounding, totals may not equal 100.0.*

**Borrower Profile**

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 in the Memphis MSA AA. Excellent performance regarding small business loans combined with poor performance regarding home mortgage loans supports this conclusion.

***Home Mortgage Loans***

The distribution of borrowers reflects poor penetration among retail customers of different sizes in the Memphis MSA AA. Poor performance to moderate-income borrowers outweighed adequate performance to low-income borrowers to support this conclusion.

As seen in the following table, BP’s lending to low-income borrowers mirrors aggregate data, revealing adequate performance. The table further shows that to moderate-income borrowers,

BP's lending falls 7.7 percentage points below the aggregate data, reflecting poor performance. Examiners afforded more weight to performance to moderate-income borrowers given the greater opportunity to lend in this category as seen in the aggregate data.

<b>Distribution of Home Mortgage Loans by Borrower Income Level – Memphis MSA AA</b>						
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	14.2	4.4	6	4.4	329	1.5
Moderate	16.2	14.3	9	6.6	1,111	5.0
Middle	21.7	22.7	29	21.3	3,975	17.9
Upper	47.9	37.1	76	55.9	14,195	63.8
Not Available	0.0	21.6	16	11.8	2,658	11.9
<b>Totals</b>	<b>100.0</b>	<b>100.0</b>	<b>136</b>	<b>100.0</b>	<b>22,266</b>	<b>100.0</b>

*Source: 2015 ACS Data; 2019 HMDA Data; 2019 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0.*

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

The distribution of borrowers reflects excellent penetration among business customers of different sizes in the Memphis MSA AA. Excellent performance to businesses with gross annual revenue of \$1 million or less supports this conclusion. As seen in the following table, BP's lending to businesses with gross annual revenue of \$1 million or less rises 29.7 percentage points higher than aggregate data, reflecting excellent performance.

<b>Distribution of Small Business Loans by Gross Annual Revenue Category – Memphis MSA AA</b>						
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<=\$1,000,000	85.1	41.7	55	71.4	5,645	73.1
>1,000,000	3.3	--	19	24.7	1,952	25.3
Revenue Not Available	11.6	--	3	3.9	127	1.6
<b>Totals</b>	<b>100.0</b>	<b>100.0</b>	<b>77</b>	<b>100.0</b>	<b>7,724</b>	<b>100.0</b>

*Source: 2019 D&B Data; 2019 CRA Data; 2019 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0.*

### **Community Development Loans**

The institution made an adequate level of CD loans in the Memphis MSA AA. As seen in the following table, BP originated 3 CD loans totaling approximately \$2.9 million in the Memphis MSA AA. By dollar, this equates to 1.3 percent of the institution's total CD loans compared to 6.7 percent of the bank's total loans in this AA and reflects adequate performance considering its contribution to the overall excellent level of CD loans.

Community Development Lending – Memphis MSA AA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2018	0	0	0	0	0	0	0	0	0	0
2019	0	0	0	0	1	1,274	0	0	1	1,274
2020	0	0	0	0	1	600	1	1,001	2	1,601
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>1,874</b>	<b>1</b>	<b>1,001</b>	<b>3</b>	<b>2,875</b>

Source: Bank Data.

The following point provides an example of a CD loan in the Memphis MSA AA:

- **Economic Development** - The institution originated a loan totaling nearly \$1.3 million for the construction of a new automobile repair shop. The loan, originated through the FHLB Dallas Small Business Boost program, provides flexible underwriting criteria to qualifying businesses meeting SBA size standards. The expansion of the business led to the creation of 18 low- and moderate-income jobs.

BP’s CD loans reflect adequate responsiveness to the CD needs of the AA. As noted previously, activities that revitalize or stabilize qualifying geographies represent a primary CD need in the AA, and BP engaged in activities in this category.

## INVESTMENT TEST

BP demonstrated a low satisfactory record in the Memphis MSA AA regarding the Investment Test. An adequate level of QIs and adequate responsiveness to CD needs supports this conclusion. BP did not use complex or innovative investments in this AA.

### Investment and Grant Activity

The institution has an adequate level of qualified community investments and grants, although rarely in a leadership position, particularly those that are not routinely provided by private investors in the Memphis MSA AA. As seen in the following table, BP made 17 QIs totaling approximately \$697,000 in the Memphis MSA AA. By dollar volume, this equates to 1.7 percent of the institution’s total QIs as compared to the 5.8 percent of the bank’s total deposits in this AA, which reflects a slightly less than a fair share contribution the institution’s overall significant level.

Qualified Investments – Memphis MSA AA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	2	659	0	0	0	0	0	0	2	659
2018	0	0	0	0	0	0	0	0	0	0
2019	0	0	0	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	0	0	0	0
<b>Subtotal</b>	<b>2</b>	<b>659</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>659</b>
Qualified Grants & Donations	0	0	12	17	3	21	0	0	15	38
<b>Total</b>	<b>2</b>	<b>659</b>	<b>12</b>	<b>17</b>	<b>3</b>	<b>21</b>	<b>0</b>	<b>0</b>	<b>17</b>	<b>697</b>

Source: Bank Data.

The following lists examples of QIs in the Memphis MSA AA:

- **Economic Development** - BP donated over \$26,000 to an economic development council with a mission to attract new businesses and expand existing businesses in DeSoto County. In 2020, the organization’s efforts created approximately 3,000 jobs in 15 new industries. These economic development efforts help small businesses open and grow through the development of commercial buildings such as logistics centers, industrial park buildings, and distribution center sites.
- **Community Service** - BP donated \$7,500 to a community organization with four programs that offer the following: infant care for mothers in prison, foster care, safe campus housing for children, and career assistance to transition young people to a better life. These programs serve disadvantaged youth and families, primarily considered low and moderate income, by meeting their basic needs in a safe and supportive environment.

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

BP exhibits adequate responsiveness to credit and CD needs in the Memphis MSA AA. The table in the prior section primarily shows responsiveness to address the affordable housing needs of the Memphis MSA AA, but also shows responsiveness to a variety of CD needs with qualified activities among three categories.

### **Community Development Initiatives**

BP does not use complex and/or innovative investments to support CD initiatives in the Memphis MSA AA.

### **SERVICE TEST**

BP demonstrated a low satisfactory record in the Memphis MSA AA regarding the Service Test. An adequate level of CD services and reasonably accessible delivery systems primarily support this conclusion.

## Accessibility of Delivery Systems

Delivery systems are reasonably accessible to essentially all portions of the Memphis MSA AA. Adequate branch distribution and alternative delivery systems support this conclusion.

### ***Branch Distribution***

The following table shows that in moderate-income census tracts, the percentage of BP's branches rises 5.8 percentage points above the population residing in those areas, which reflects an adequate level.

<b>Branch and ATM Distribution – Memphis MSA AA</b>												
<b>Tract Income Level</b>	<b>Census Tracts</b>		<b>Population</b>		<b>Branches</b>		<b>ATMs</b>		<b>Opened Branches</b>		<b>Closed Branches</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	5	15.2	18,348	10.9	1	16.7	1	14.3	0	0.0	0	0.0
Middle	17	51.5	75,341	44.7	3	50.0	3	42.9	0	0.0	0	0.0
Upper	11	33.3	74,897	44.4	2	33.3	3	42.9	0	0.0	0	0.0
NA	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
<b>Totals</b>	<b>33</b>	<b>100.0</b>	<b>168,586</b>	<b>100.0</b>	<b>6</b>	<b>100.0</b>	<b>7</b>	<b>100.0</b>	<b>0</b>	<b>100.0</b>	<b>0</b>	<b>100.0</b>

*Source: 2015 ACS data & Bank Data. Due to rounding, totals may not equal 100.0.*

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

The institution's ATMs/ITMs and alternative delivery systems are reasonably accessible throughout the AA. The table shows that in moderate-income census tracts, the percentage of BP's ATMs/ITMs rises 3.4 percentage points above the population residing in those areas, which reflects an adequate level.

As of March 2021, the bank's information demonstrated that approximately 12.0 percent of customers that reside in moderate-income CTs in the Memphis MSA AA use online banking services and 9.0 percent of customers that reside in moderate-income CTs in the Memphis MSA AA use mobile banking services.

Refer to the institution-level Service Test section for specific details of other types of alternative delivery systems offered in the Memphis MSA AA, which remain consistent with the institution as a whole.

### **Changes in Branch Locations**

The institution did not have any changes to branch locations in the Memphis MSA AA; therefore, examiners did not evaluate this criterion for this AA.

**Reasonableness of Business Hours and Services**

Services, including business hours, do not vary in a way that inconveniences portions of the AA, particularly moderate-income geographies and/or low- and moderate-income individuals. BP maintains convenient lobby, drive-up, and walk-up hours at all locations consistent with industry norms. One of the bank’s locations in the Memphis MSA AA offers extended drive-up hours from 7:00 am to 7:00 pm Monday through Friday in addition to drive-up hours on Saturday.

**Community Development Services**

The institution provides an adequate level of CD services in the Memphis MSA AA. The following table shows the institution provided 14 CD services since the previous evaluation in the Memphis MSA AA. Service activities demonstrate responsiveness to CD needs for general financial literacy for students, adults, and small business owners, as well as opportunities for individuals to understand tracking finances and ways to improve business financials.

<b>Community Development Services – Memphis MSA AA</b>					
<b>Activity Year</b>	<b>Affordable Housing</b>	<b>Community Services</b>	<b>Economic Development</b>	<b>Revitalize or Stabilize</b>	<b>Totals</b>
	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>
2018	0	6	0	0	<b>6</b>
2019	0	7	0	0	<b>7</b>
2020	0	1	0	0	<b>1</b>
<b>Total</b>	<b>0</b>	<b>14</b>	<b>0</b>	<b>0</b>	<b>14</b>
<i>Source: Bank Data.</i>					

The following lists an example of CD services in the Memphis MSA AA:

- **Community Service** – BP hosted 10 CreditPlus financial seminars, reaching 473 participants in the AA. Loan data indicates that the majority of CreditPlus participants are low- and moderate-income.

**COMBINED NON-MSA AA – Limited-Scope Review**

**CONCLUSIONS ON PERFORMANCE CRITERIA IN THE COMBINED NON-MSA AA**

The following table summarizes the conclusions for the Combined Non-MSA AA, which was reviewed using limited-scope procedures. Examiners determined conclusions regarding the institution’s CRA performance from reviewing available facts and data, including performance figures, aggregate lending data comparisons, and demographic information. The conclusions did not alter the institution’s overall performance rating

<b>Assessment Area</b>	<b>Lending Test</b>	<b>Investment Test</b>	<b>Service Test</b>
Combined Non-MSA AA	Consistent	Consistent	Consistent



Facts and data supporting conclusions for the Combined Non-MSA AA follow, including a summary of BP’s operations and activities. The appendix contains demographic data and deposit market share information for the AA.

**Combined Non-MSA AA**

Refer to the institution-level section and the appendix for a complete description of the AA. BP operates 16 branches in this AA: 8 in moderate-income census tracts, 5 in middle-income census tracts, and 3 in upper-income census tracts. The institution originated and engaged in the following activities in the AA during the evaluation period.

Activity	#	\$(000s)
Small Business Loans	380	23,456
Home Mortgage Loans	413	59,120
Small Farm Loans	221	12,528
Community Development Loans	44	56,255
Investments (New)	2	315
Investments (Prior Period)	15	7,284
Donations	115	272
CD Services	140	-
<i>Source: Bank Data.</i>		

The alternative delivery systems for the AA remain consistent with the institution as a whole. No branching changes occurred in low- or moderate-income geographies, thus not affecting the accessibility of the bank’s delivery systems in those areas.

**Geographic Distribution**

***Home Mortgage Loans***

Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																	2019		
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Combined Non-MSA	413	59,120	100.0	5,491	1.5	0.2	0.2	12.4	11.1	8.5	40.6	40.9	37.0	45.5	47.7	54.3	0.0	0.0	0.0
<i>Source: 2015 ACS data; 2019 HMDA Data; 2019 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0.</i>																			

## Small Business Loans

Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																		2019		
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	
Combined Non-MSA	380	23,456	100.0	4,284	2.9	0.5	1.9	25.2	33.9	27.0	35.2	34.7	34.6	36.5	30.8	36.2	0.2	0.0	0.2	

Source: 2019 D&B Data; 2019 CRA Data; 2019 CRA Aggregate Data. Due to rounding, totals may not equal 100.0.

## Small Farm Loans

Assessment Area Distribution of Loans to Farms by Income Category of the Geography																		2019		
Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	
Combined Non-MSA	221	12,528	100.0	382	0.8	0.0	0.0	21.6	33.0	33.2	38.6	30.8	29.8	39.1	36.2	36.9	0.0	0.0	0.0	

Source: 2019 D&B Data; 2019 CRA Data; 2019 CRA Aggregate Data. Due to rounding, totals may not equal 100.0.

## Borrower Profile

### Home Mortgage Loans

Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																		2019		
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers			
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	
Combined Non-MSA	413	59,120	100.0	5,491	21.4	1.5	2.5	15.1	8.5	11.9	16.3	13.6	18.3	47.1	65.9	51.6	0.0	10.7	15.7	

Source: 2015 ACS data; 2019 HMDA Data; 2019 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0.

### *Small Business Loans*

Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2019	
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
Combined Non-MSA	380	23,456	100.0	4,284	80.4	87.9	45.6	5.1	6.6	14.5	5.5	

*Source: 2019 D&B Data; 2019 CRA Data; 2019 CRA Aggregate Data. Due to rounding, totals may not equal 100.0.*

### *Small Farm Loans*

Assessment Area Distribution of Loans to Farms by Gross Annual Revenues											2019	
Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans	
Combined Non-MSA	221	12,528	100.0	382	95.0	81.0	65.2	2.1	14.5	2.9	4.5	

*Source: 2019 D&B Data; 2019 CRA Data; 2019 CRA Aggregate Data. Due to rounding, totals may not equal 100.0.*

## **APPENDICES**

### **LARGE BANK PERFORMANCE CRITERIA**

#### **Lending Test**

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

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

#### **Investment Test**

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

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

## **Service Test**

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

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

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

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

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

## SCOPE OF EVALUATION

<b>BankPlus</b>	
<b>Scope of Examination:</b> Full-scope reviews were performed on following AAs: <ul style="list-style-type: none"><li>• Jackson MSA AA</li><li>• Memphis MSA AA</li></ul>	
<b>Time Period Reviewed:</b>	1/8/2018 to 3/22/2021
<b>Products Reviewed:</b> Home Mortgage Loans: 2018 and 2019 CRA Data (Small Business & Small Farm Loans): 2018 and 2019 Qualified Community Development Loans: From 1/8/2018 to 12/31/2020 Qualified Community Development Investments: From Inception to 12/31/2020 Qualified Community Development Donations/Grants: From 1/8/2018 to 12/31/2020 Qualified Community Development Services: From 1/8/2018 to 12/31/2020	

## DESCRIPTION OF LIMITED-SCOPE ASSESSMENT AREAS

### Combined Non-MSA AA

The Combined Non-MSA AA encompasses 59 census tracts consisting of the following areas within the noted individual AAs:

- East Mississippi Non-MSA AA: Clarke, Lauderdale, Newton, and Wayne counties;
- Lee Non-MSA AA: portion of Lee County (CTs 9502.01, 9502.02, 9503.01, 9503.02, 9504.01, 9504.02, 9505, 9506.01, 9506.02, 9507, 9508, 9509.01, 9509.02, 9510.02, and 9800);
- Northwest Mississippi Non-MSA AA: Humphreys County; and
- Pearl River Non-MSA AA: Pearl River County.

The following table lists certain demographic data for this combined AA.

<b>Demographic Information of the Assessment Area - Combined Non-MSA AA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	59	5.1	22.0	37.3	33.9	1.7
Population by Geography	269,095	2.7	16.9	40.2	40.2	0.0
Housing Units by Geography	117,992	3.1	17.5	39.1	40.3	0.0
Owner-Occupied Units by Geography	71,393	1.5	12.4	40.6	45.5	0.0
Occupied Rental Units by Geography	29,547	6.1	27.3	35.4	31.3	0.0
Vacant Units by Geography	17,052	4.3	22.1	39.3	34.4	0.0
Businesses by Geography	16,957	2.9	25.2	35.2	36.5	0.2
Farms by Geography	617	0.8	21.6	38.6	39.1	0.0
Family Distribution by Income Level	68,935	21.4	15.1	16.3	47.1	0.0
Household Distribution by Income Level	100,940	22.9	14.5	15.1	47.4	0.0
Median Family Income – MS Non-MSA	\$43,897	Median Housing Value				\$101,504
		Median Gross Rent				\$663
		Families Below Poverty Level				18.3%

*Source: 2015 ACS data and 2019 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.*

The counties comprising the Combined Non-MSA AA includes 25 financial institutions operating 128 branches. According to June 30, 2020, FDIC Summary of Deposits data, BP ranked 3<sup>rd</sup> in deposit market share with 9.7 percent. Peer mortgage data for 2019 and peer small business data for 2019 indicates the AA included 238 mortgage reporting lenders, 83 small business reporting lenders, and 22 small farm reporting lenders.

## GLOSSARY

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

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

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

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

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

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

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

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

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



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

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

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

**Community Development Loan:** A loan that:

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

**Community Development Service:** A service that:

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

**Consumer Loan(s):** A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

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

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

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

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family. Other family is further classified into “male householder” (a family with a male householder and no wife present) or “female householder” (a family with a female householder and no husband present).

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

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

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

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

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

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

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

Performance under applicable tests is often analyzed using only quantitative factors (e.g., geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

**Low-Income:** Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

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

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

**Market Share:** The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

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

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

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

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

**Middle-Income:** Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 and less than 120 percent in the case of a geography.

**Moderate-Income:** Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 and less than 80 percent in the case of a geography.

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

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

**Owner-Occupied Units:** Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

**Qualified Investment:** A lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

**Rated Area:** A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

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

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

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

**Small Farm Loan:** A loan included in “loans to small farms” as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

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

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

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

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