

PUBLIC DISCLOSURE

February 28, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Community Bank of Mississippi
Certificate Number: 8879

1905 Community Bank Way
Flowood, Mississippi 39232

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

600 North Pearl Street, Suite 700
Dallas, Texas 75201

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

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INSTITUTION RATING

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

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

PERFORMANCE LEVELS	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding	X		
High Satisfactory			X
Low Satisfactory		X	
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 adequate 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 Low Satisfactory.

- The institution has an adequate level of qualified CD investments and grants, rarely 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 occasionally uses innovative and/or complex investments to support CD needs.

The Service Test is rated High Satisfactory.

- 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 provided a good level of CD services.

DESCRIPTION OF INSTITUTION

Community Bank of Mississippi (CBM) maintains its headquarters in Forest, Mississippi. Community Bancshares of Mississippi, Inc. is a one bank holding located in Brandon, Mississippi, which wholly owns the bank as well as subsidiaries and affiliates that provide investment and financial services. CBM received a Satisfactory CRA rating at the FDIC's December 2, 2019, evaluation using CRA Intermediate Small Bank Procedures. During the current examination, the bank was evaluated using the CRA Large Bank Procedures due to meeting the regulatory requirements for such review since the last CRA performance evaluation. On December 9, 2019, the bank added an office in Mississippi market. On October 4, 2021, the bank added an additional office in the Birmingham, AL market. On February 16, 2022, the bank added an additional office in the new market of Pensacola, Florida. On October 26, 2022 and February 13, 2023, the bank added additional branches to the Mississippi market. In addition to the new branches, the bank opened several LPOs and relocated a few offices. As a result of these activities, CBM entered a new markets and created a new AA in Florida.

CBM 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. CBM currently operates 48 full-service offices and 57 automated teller machines (ATMs) in 11 AAs located throughout Alabama, Mississippi, Florida, and the Memphis Multi-State MSA.

As of the December 31, 2022, Reports of Condition and Income, CBM's assets totaled \$4.6 billion, consisting primarily of net loans and leases of \$2.6 billion. Total deposits equaled \$4.1 billion as of the same date. For the 13 quarters since the previous evaluation, on average per year, total assets increased 41.4 percent, net loans increased 18.1 percent, and total deposits increased 40.8 percent.

As reflected in the following table, based on the December 31, 2022, Reports of Condition and Income, the institution's major loan products consist of commercial loans and home mortgage loans.

Loan Portfolio Distribution as of 12/31/2022		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	283,750	10.8
Secured by Farmland	179,361	6.8
Secured by 1-4 Family Residential Properties	1,023,278	39.0
Secured by Multifamily (5 or more) Residential Properties	48,168	1.8
Secured by Nonfarm Nonresidential Properties	750,467	28.6
Total Real Estate Loans	2,285,024	87.1
Commercial and Industrial Loans	253,098	9.6
Agricultural Production and Other Loans to Farmers	1,664	0.1
Consumer Loans	84,820	3.2
Obligations of State and Political Subdivisions in the U.S.	0	0.0
Other Loans	0	0.0
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	0.0	0.0
Total Loans	2,624,606	100
<i>Source: Reports of Condition and Income. 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 CBM’s performance in four rated areas to include the State of Mississippi, Alabama, Florida and the Memphis Multi-State MSA. This evaluation includes an analysis of the following eleven AAs. Four AAs are located in Mississippi: 1) Gulfport-Biloxi Metropolitan Statistical Area (MSA), 2) Hattiesburg MSA, 3) Jackson MSA, and 4) Combined Non-MSA; Three AAs are located in Alabama: 1) Birmingham MSA, 2) Daphne MSA, and 3) Mobile MSA; Three AAs are located in Florida: 1) Destin MSA, 2) Panama City MSA, and 3) Pensacola MSA; and one AA is the Memphis Multi-State MSA.

The Combined MS Non-MSA (MS Non-MSA) consists of six none contiguous areas. Examiners did not identify any significant anomalies in performance when assessed separately, and the Non-MSA areas reflect similar economic and demographic conditions. Therefore, for presentation purposes in this evaluation, examiners combined the performance among the six separate Non-MSA areas, which will be collectively referred to as the MS Non-MSA. The institution reasonably defined its AAs to meet CRA requirements.

The banks review period covers two distinct census data period to include the 2015 ACS and 2020 census data period. The bank’s “Branch and ATM Distribution” tables in this evaluation are based on the 2020 census data; however, the banks performance under each applicable large bank CRA test factors and all other tables will be based on the 2015 ACS data due to the activity being evaluated and presented in this report falling within 2015 ACS census time period. The only tables below utilizing the 2020 census data are the Branch and ATM Distribution tables under each

applicable services test section of the performance evaluation. Refer to the individual AAs' sections of this evaluation for additional information on each AA.

SCOPE OF EVALUATION

General Information

This evaluation covers the time period from the previous evaluation dated December 2, 2019, to the current evaluation dated February 28, 2023, 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 MS Non-MSA because this area contains a majority of the bank's total loans, deposits, and branches. Examiners also applied full-scope review procedures to the Memphis MSA, Mobile MSA, Birmingham MSA, and Destin MSA because these areas had either a majority of deposit or loans in the applicable rated areas. Full-scope procedures were applied to the Panama City MSA due to not having received full-scope reviewed during the last two performance evaluations. Examiners applied limited-scope procedures to the Daphne MSA; Pensacola MSA; Gulfport-Biloxi MSA; Hattiesburg MSA; and, Jackson MSA.

Examiners weighed performance in the Mississippi rated area heavier when arriving at applicable conclusions and ratings since this area contains a majority of the institute's total activities. Examiners weighed the Memphis Multi-State MSA, Alabama, and Florida rated area notably less given the limited activity when compared to Mississippi.

Rated Area Breakdown of Loans, Deposits, and Branches						
Rated Area	Loans		Deposits		Branches	
	\$(000s)	%	\$(000s)	%	#	%
Memphis Multi-State MSA	184,829	5.8	230,553	5.4	4	8.3
Gulfport-Biloxi MSA	406,696	12.8	566,506	13.2	8	16.7
Hattiesburg MSA	215,320	6.8	233,422	5.4	2	4.2
Jackson MSA	533,235	16.8	883,380	20.6	8	16.7
Mississippi Non-MSA	1,066,401	33.7	1,533,887	35.7	15	31.3
Mississippi Subtotal	2,221,652	70.2	3,217,195	74.9	33	68.8
Birmingham MSA	205,484	6.5	58,037	1.4	2	4.2
Daphne MSA	93,159	2.9	123,243	2.9	2	4.2
Mobile MSA	155,549	4.9	159,768	3.7	1	2.1
Alabama Subtotal	454,192	14.3	341,048	7.9	5	10.4
Destin MSA	175,291	5.5	319,568	7.4	3	6.3
Panama City MSA	109,968	3.5	182,744	4.3	2	4.2
Pensacola MSA	20,181	0.6	3,992	0.1	1	2.1
Florida Subtotal	305,440	9.6	506,304	11.8	6	12.5
Total	3,166,113	100	4,295,100	100	48	100

Source: Bank Data; FDIC Summary of Deposits (06/30/2022). Due to rounding, totals may not equal 100.0.

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. Consequently, this evaluation considers total loans reported (inside and outside of the assessment areas) either according to the Home Mortgage Disclosure Act (HMDA) or CRA data collection reporting requirements. 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 with the exception of the 2019 Small Business Loan data. The bank was not required to collect CRA loan data until 2020. As such, examiners took a sample of the 2019 small business loans, which is reflected in the numbers below. While examiners were only required to review a sample of 2019 small farm loans, the entire universe was included due to limited loan volume.

Home Mortgage Loans

- 2019: 3,889 loans totaling \$558,386,000
- 2020: 5,036 loans totaling \$818,367,000
- 2021: 4,833 loans totaling \$806,680,000

Small Business Loans

- 2019: 257 loans totaling \$20,011,000
- 2020: 9,536 loans totaling \$535,531,000
- 2021: 9,083 loans totaling \$447,156,000

Small Farm Loans

- 2019: 189 loans totaling \$18,000,000
- 2020: 236 loans totaling \$24,938,000
- 2021: 163 loans totaling \$19,599,000

CD Loans:

December 2, 2019, through February 28, 2023: 250 loans totaling \$339.1 million.

Examiners reviewed the entire universes of reported home mortgage, small business, and small farm loans listed previously. Based on the data above, small farm loans only account for 1.5 percent of the dollar volume of the total HMDA and CRA reported loans for 2021. Therefore, examiners did not analyze small farm loans since conclusions regarding the product would not materially affect any conclusions or ratings.

Since no trends exist between the different years' data that materially affect applicable conclusions or ratings, unless otherwise noted, this evaluation only presents the 2021 HMDA and small business data, the most recent year for which aggregate data exists as of this evaluation date. However, examiners included 2019-2021 HMDA data and 2019-2021 CRA data in the Assessment Area Concentration discussion. Examiners will compare the bank's HMDA lending and small business lending to aggregate data.

As seen in the following table, consisting of years 2020 and 2021 loan data only, due to that period being the point when the bank was required to report CRA applicable loans, lending volume reflects an emphasis on home mortgage loans by dollar volume and an emphasis on small business loans by number volume. Therefore, examiners afforded equal weight to home mortgage loans and small business loans.

Loans Reviewed				
Loan Type	\$(000)	%	#	%
Home Mortgage	1,625,049	62.3	9,869	34.6
Small Business	982,318	37.7	18,619	65.4
Total Loans	2,607,367	100.0	28,488	100.0

Source: 2020 and 2021 reported home mortgage and CRA data. Due to rounding, totals may not equal 100.0.

Since no trends exist between the different years' data that materially affect applicable conclusions or ratings, this evaluation only presents 2021 home mortgage and small business, 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.

The scope for the Investment and Service Tests considered CD activities generated since the previous evaluation through February 28, 2023. 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

CBM 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. CBM also demonstrated good performance records for borrower profile; adequate performance records for geographic distribution and originated a high percentage of loans within the AAs. Conclusions regarding the institution's overall Lending Test performance proved consistent among with the Mississippi rated area, with the exception of performance in the Alabama, Florida, and Memphis Multi-State MSA, 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 and small business loans supports this conclusion.

Home Mortgage Loans

The institution's home mortgage lending activity reflects excellent responsiveness to the AAs' credit needs. In 2021, CBM originated 5,055 home mortgage loans totaling approximately \$892.3 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 2021, CBM originated 7,585 small business loans totaling approximately \$306.0 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.

Assessment Area Concentration

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

Lending Inside and Outside of the Assessment Area											
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)	
	Inside		Outside			Inside		Outside			
	#	%	#	%		\$	%	\$	%		
Home Mortgage											
2019	3,454	88.8	435	11.2	3,889	497,779	89.1	60,607	10.9	558,386	
2020	4,467	88.7	569	11.3	5,036	729,108	89.1	89,259	10.9	818,367	
2021	4,277	88.5	556	11.5	4,833	720,949	89.4	85,731	10.6	806,680	
Subtotal	12,198	88.7	1,560	11.3	13,758	1,947,836	89.2	235,597	10.8	2,183,433	
Small Business											
2019	214	83.3	43	16.7	257	17,083	85.4	2,928	14.6	20,011	
2020	8,322	87.3	1,214	12.7	9,536	471,968	88.1	63,563	11.9	535,531	
2021	7,581	83.5	1,502	16.5	9,083	396,266	88.6	50,890	11.4	447,156	
Subtotal	16,117	85.4	2,759	14.6	18,876	885,317	88.3	117,381	11.7	1,002,698	
Total	28,315	86.8	4,319	13.2	32,634	2,833,153	88.9	352,978	11.1	3,186,131	

Source: Bank Data. Due to rounding, totals may not equal 100.0%.

Geographic Distribution

CBM’s geographic distribution of loans reflects adequate penetration throughout its AAs. An adequate record in the Mississippi, Alabama, Florida, and Memphis Multi-State MSA rated areas 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 of different sizes. Good records in Mississippi and adequate records in the Florida, Alabama, and Memphis Multi-State MSA rated areas 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, CBM originated 4,677 innovative and/or flexible loans totaling approximately \$922.9 million. This dollar figure equates to 21.9 percent of average total assets of \$4.2 billion since the previous evaluation and 36.9 percent of average net loans of \$2.5 billion for the same period. This performance reflects excellent responsiveness to the credit needs of the AAs.

Innovative or Flexible Lending Programs										
Type of Program	2019		2020		2021		2022		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
FMCC/FNMA	40	8,722	1,240	280,671	1,093	244,739	467	108,257	2,840	642,389
USDA/FHA/VA	32	5,807	446	84,846	417	84,297	270	57,761	1,165	232,711
SBA	3	1,040	40	11,902	54	17,880	26	12,699	123	43,521
Community Home Improvement Loans	0	0	91	740	139	1,083	95	961	325	2,784
MS Home Corp Down Payment Assistance	8	45	63	428	89	617	64	447	224	1,537
Totals	83	15,614	1,880	378,587	1,792	348,616	922	180,125	4,677	922,942

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

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.

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

Government Home Loan Programs – CBM participates in a first-time homebuyers program offered by the Mississippi Home Corporation, with flexible features for down payment and closing cost assistance. Additionally, through a well-established secondary market mortgage program, CBM offers additional flexibility and attractive terms to eligible community borrowers through the availability of FHA, USDA Rural Housing, and VA government programs.

Community Home Improvement Loans – This loan product is offered to LMI individuals to obtain small dollar mortgage loans used to improve owner-occupied homes with reduced closing costs and below market interest rates.

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 13,410 PPP loans totaling approximately \$644.0 million during the evaluation period.

CBM continued its partnership with the FHLB awarding grants to individuals, small businesses, and community-based organizations totaling over \$556 thousand through four grant programs as follows: Homebuyer Equity Leverage Partnership (HELP), Special Needs Assistance Program (SNAP), Disaster Rebuilding Assistance (DRA), and Partnership Grant Program (PGP). The 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. Finally, for the DRA, the program provides funds for the repair, rehabilitation and reconstruction of owner-occupied housing affected by disaster event in federally declared disaster areas.

This evaluation represents the banks first time being evaluated according to the innovative and flexible loan program standard. As such, there are no past metrics for which to compare the banks performance. Regardless, CBM’s level of innovative and flexible lending compared to the size of the bank and complexity of its operations reflects excellent responsiveness to the banks AAs.

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 250 CD loans totaling over \$339.1 million. This level equates to 8.1 percent of average total assets since the previous evaluation and 13.6 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 decrease from the 15.7 percent of average total assets and a decrease from the 23.6 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)
2019 (Partial)	6	1,622	-	-	4	5,431	-	-	10	7,053
2020	52	11,086	4	12,897	22	39,195	39	99,147	117	162,326
2021	34	9,281	-	-	11	18,502	20	38,966	65	66,749
2022	15	7,198	3	4,635	17	42,344	17	37,780	52	91,957
2023(YTD)	3	2,406	-	-	1	5,895	2	2,723	6	11,024
Total	110	31,592	7	17,532	55	111,367	78	178,617	250	339,109

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

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 CBM 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)
Combined Non-MSA	20	5,352	3	8,525	22	41,038	46	62,640	91	117,555
Memphis Multi-State MSA	17	2,203	-	-	2	8,575	1	3,000	20	13,778
Gulfport-Biloxi AA	11	4,956	-	-	8	19,103	11	29,397	30	53,456
Hattiesburg AA	40	11,365	1	1,582	2	2,018	-	-	43	14,965
Jackson AA	13	3,340	-	-	4	7,765	5	16,487	22	27,592
Daphne AA	-	-	1	4,825	1	1,130	5	46,450	7	52,405
Birmingham AA	4	2,384	1	1,500	6	10,053	4	10,002	15	23,939
Mobile AA	2	950	-	-	4	9,793	3	4,090	9	14,833
Destin AA	2	262	-	-	3	3,892	1	2,000	6	6,154
Panama City AA	1	780	-	-	2	6,500	1	1,500	4	8,780
Pensacola AA	-	-	1	1,100	1	1,500	1	3,051	3	5,651
Total	110	31,592	7	17,532	55	111,367	78	178,617	250	339,109

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

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

- **Revitalization and Stabilization** – The institution originated one loan totaling \$1.6 million to a school district with majority LMI students for capital improvements to the school buildings within the district. The funds helped to support and stabilize the communities for which the LMI students live and revitalize the areas in which the schools are located by keeping the buildings in good repair.
- **Affordable Housing** – The bank originated one loan totaling approximately \$1.1 million to a multi-family property owner. The investor used the funds to renovate a building into 48 two bedroom and one bath affordable housing units. This development provided 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 had an adequate level of qualified investments and grants regarding the Investment Test. The adequate level of QIs and good responsiveness to CD needs in the AAs supports this conclusion. The institution’s performance was varied throughout the AAs, with the Jackson MSA, Gulfport-Biloxi MSA, Mobile MSA, Birmingham MSA, Daphne MSA, Destin MSA, and Panama City MSA falling below the institution’s overall performance.

Investment and Grant Activity

The institution has an adequate level of qualified CD investments and grants. As seen in the following table, CBM made use of 558 QIs and grants totaling nearly \$31.0 million. The total

dollar amount of QIs equates to 0.7 percent of average total assets since the previous evaluation and 2.8 percent of average total securities of \$1.1 billion for the same period. The QIs exhibit an average level compared to similarly situated institutions. The levels reflect a decrease over the 1.6 percent of average total assets 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	3	1,513	3	3,967	-	-	10	11,080	16	16,560
2020	3	1,929	-	-	-	-	3	110	6	2,039
2021	2	5,535	-	-	-	-	-	-	2	5,535
2022	1	2,829	1	2,419	-	-	1	25	3	5,273
2023 (YTD)	-	-	-	-	-	-	-	-	-	-
Subtotal	9	11,806	4	6,386	-	-	14	11,215	27	29,407
Qualified Grants & Donations	54	84	414	1,245	10	12	53	312	531	1,653
Total	63	11,890	418	7,631	10	12	67	11,527	558	31,061

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

The following table shows QIs by AA.

Community Development Investments by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Combined Non-MSA	9	1	184	3,740	4	4	33	3,012	230	6,757
Memphis Multi-State MSA	7	14	25	7	-	-	5	1,881	37	1,902
Gulfport-Biloxi AA	7	7	66	108	-	-	8	1,201	81	1,316
Hattiesburg AA	1	0	13	2,843	-	-	5	4,109	19	6,952
Jackson AA	26	57	86	637	3	4	5	261	120	959
Daphne AA	-	-	6	2	-	-	1	1	7	3
Birmingham AA	3	3	13	23	-	-	2	<1	18	26
Mobile AA	-	-	8	4	-	-	2	1,020	10	1,024
Destin AA	1	3	6	7	1	2	1	8	9	20
Panama City AA	-	-	8	8	1	2	2	1	11	11
Pensacola AA	-	-	2	2	1	1	-	-	3	3
Statewide Activities	9	11,805	1	250	-	-	3	33	13	12,088
Total	63	11,890	418	7,631	10	13	67	11,527	558	31,061

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

The following lists notable examples of the institution’s statewide QI activities.

- ***Affordable Housing*** – The institution invested in a Mississippi Home Mortgage Revenue Bond. A portion of the proceeds will be used to provide down payment assistance on financed single-family residence and to aid low and moderate-income individuals to finance the purchase of single-family loans. The bond purchase helps to support the financial market for LMI housing within Mississippi.
- ***Affordable Housing*** - The bank has invested \$730,016 in a state run construction-lending program with the goal of developing affordable housing through private and public partnerships. The participation in the program helps to support the building of new affordable housing units to support the need for more LMI housing throughout the state of Mississippi.

Responsiveness to Credit and Community Development Needs

CBM exhibits good responsiveness to credit and CD needs. The prior tables show responsiveness through CBM’s investments by dollar amount across all CD purpose categories. Refer to the individual AAs’ sections for details.

Community Development Initiatives

CBM occasionally use innovative and/or complex investments to support CD initiatives. CBM did not use any innovative QIs.

SERVICE TEST

The institution achieved a high satisfactory rating regarding the Service Test. The leader level of Mississippi regarding CD services primarily supports this conclusion. Performance in the Alabama, Florida, and Memphis Multi-State MSA rated areas are varied in consistency with the institution.

Accessibility of Delivery Systems

Delivery systems are accessible to essentially all portions of the AAs. CBM’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 CBM’s branches falls 4.8 percentage points below the population residing in those areas. The table further shows that in moderate-income census tracts, the percentage of CBM’s branches rises 1.4 percentage points above the population residing in those areas. The branch distribution shows relatively equivalent distribution of branches across the bank similar to the population represented in each tract income level.

Branch and ATM Distribution – Whole Bank												
Tract Income Level	Census Tracts		Population		Branches		ATMs		Open Branches		Closed Branches	
	#	%	#	%	#	%	#	%	#	%	#	%
Low	131	9.8	336,075	6.9	1	2.1	1	1.8	0	0.0	0	0.0
Moderate	309	23.1	1,043,004	21.5	11	22.9	14	24.6	0	0.0	0	0.0
Middle	456	34.1	1,768,096	36.5	21	43.8	24	42.1	2	40.0	0	0.0
Upper	396	29.6	1,653,298	34.1	14	29.1	18	31.6	2	40.0	0	0.0
NA	45	3.4	49,031	1.0	1	2.1	0	0.0	1	20.0	0	0.0
Totals	1,337	100.0	4,849,504	100.0	48	100.0	57	100.0	5	100.0	0	100.0

Source: 2020 U.S. Census & Bank Data. Due to rounding, totals may not equal 100.0%.

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.

CBM operates 57 ATMs throughout its AAs as reflected in the prior table. The table shows that in low-income census tracts, the percentage of CBM’s ATMs falls only 5.1 percentage points below the population residing in those areas. The table further shows that in moderate-income census tracts, the percentage of CBM’s ATMs rises 3.1 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.

CBM 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.

Telephone Banking – This system allows customers to obtain deposit account information, transfer funds between accounts, reorder checks, and perform other banking services through a bank staff member.

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, and new account opening. The online banking system has proven effective in reaching customers. CBM reported over 55,293 online banking accounts.

Internet Deposit Account Openings – CBM offers customers the ability to open deposit accounts remotely through online banking.

Text Banking – This service is part of online banking with capabilities including checking available balance before making a purchase and notifications of primary account balance, and low balance alerts below a designated level.

Mobile Banking (CB2GO) – This product allows customers to access their accounts at anytime and anywhere with a web-enabled phone or with the CBM’s Personal Mobile app “CB2GO” for smartphones. Features include taking a picture of a check using a phone and electronically depositing it to a CBM account, viewing account information, electronic bill payment, push notification alerts, receiving secure messages, and money budgeting tools. CBM reported 8,360 android application installations and 16,600 installs for apple phones.

My Money – CBM offers customers a free personal financial management tool that can be accessed through the mobile banking application. MyMoney allows customers to add all of their financial accounts in one place to include accounts outside of CBM.

Digital Wallet – CBM offers digital wallet services from all major providers. Customers can link their CBM accounts and cards to the wallet services for convenience of payment. Additionally, the wallet allows customers to send and receive money from friends and family.

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. This feature allows customers to stay in touch with their spending and helps to potentially detect and prevent fraud.

Internet Mortgage Application – Through CBM’s website, bank customers can create a secure account to apply for a mortgage application to apply for a home purchase or refinance loan remotely.

Remote Deposit Capture – This fully integrated, web-based electronic payment processing system allows retail customers to capture check images and deposit the checks remotely through a smartphone device and for commercial customers they can use a check scanner to convert checks into electronic transactions.

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.

None of the five branches opened since the prior evaluation occurred in low- and moderate-income tracts. There were no branch closings during the review period. Refer to the Pensacola MSA, Gulfport-Biloxi MSA, Jackson MSA, and Birmingham MSA sections 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. CBM maintains extended drive-up hours of about 30 minutes to an hour before lobby hours in a significant number of branches with drive-up functionality. Additionally the drive-up operations tend to close when the lobby closes.

About 48 percent of the bank’s locations have hours of 8:30 am to 4:30 pm on Monday through Thursday. Additionally, 48 percent of the bank’s branches have hours of 9:00 am to 4:30 pm Monday through Thursday. Approximately 98 percent of the branch locations have extended Friday hours with the majority of branches closing either 30 minutes to 1 hour later than during the Monday through Thursday closing times. Around 58 percent of the branch locations have a drive-up operation. See the individual discussion of AAs’ sections for additional details on specific service hours offered in each AA.

CBM offers a standard array of deposit accounts including checking, money market, personal savings, and certificates of deposit. Business customers may utilize treasury services that help manage business finances. Customers can create, manage, and preserve personal wealth through the Wealth Management Group. CBM also offers a wide range of loan products such as consumer, commercial, and home mortgage loans.

Community Development Services

The institution has a relatively high level of CD services. The extent of CD services provided and good responsiveness of CD services, considering available opportunities, supports this conclusion.

The following table shows the institution provided 479 CD services since the previous evaluation, which remains a relatively high level despite a decrease from the 663 CD services provided at the prior evaluation. 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.

Community Development Services – Whole Bank					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2020	28	53	-	9	90
2021	23	91	-	31	145
2022	43	159	7	31	240
2023 (YTD)	1	-	-	3	4
Total	95	303	7	74	479

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

The following table lists the CD services by rated area.

Community Development Services by Rated Area					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
Memphis Multi-State MSA	26	19	-	-	45
Mississippi	57	262	4	63	386
Alabama	9	15	-	11	35
Florida	3	7	3	-	13
Total	95	303	7	74	479
<i>Source: Bank Data. Due to rounding, totals may not reconcile.</i>					

The CD services demonstrate a relatively high level of responsiveness and high qualitative impact in helping improve consumer and small business finances for unbanked and underbanked individuals and businesses. CBM provides a financial literacy programs 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.

CBM also provides technical assistance and processes grant applications through four different FHLB grant programs to provide disaster repair and rehabilitation, down payment, closing cost, or matching funds assistance to individuals and organizations.

The following lists examples of the bank’s notable CD services in the rated areas.

- **Affordable Housing** – A bank employee served on the board and finance committee for an LMI housing organization, and provided banking expertise in the organizations decision making when it came to financial decisions.
- **Community Service** – An employee taught a class of eight graders about the basics and importance of banking and credit. The students attended a school were a majority of those attending were from LMI homes.

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.

MEMPHIS MULTI-STATE MSA

CRA RATING FOR (RATED AREA #1): SATISFACTORY

The Lending Test is rated: Low Satisfactory

The Investment Test is rated: Low Satisfactory

The Service Test is rated: High Satisfactory

DESCRIPTION OF INSTITUTION’S OPERATIONS IN MEMPHIS MULTI-STATE MSA

The Memphis Multi-State MSA encompasses the following counties: Shelby (TN) and Desoto (MS) Counties. The rated area includes two of the eight counties that comprise the Memphis, TN-MS-AR MSA. The institution operates four full-service branches and three ATMs in the Memphis Multi-State MSA.

Economic and Demographic Data

The 254 tracts in the Memphis Multi-State MSA reflect the following income designations based on 2015 ACS data: 65 low-, 53 moderate-, 49 middle-, 81 upper-, and 6 unknown-income tracts. All counties received a disaster designation in 2020 due to the COVID-19 pandemic. The Branch and ATM Distribution table under the Service Test include differing census tracts totals due to the use of 2020 U.S. Census data to generate that table. The following table notes certain demographic data for the rated area.

Demographic Information of the Assessment Area - Memphis Multi-State MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	254	25.6	20.9	19.3	31.9	2.4
Population by Geography	1,106,336	18.7	20.2	19.5	41.0	0.6
Housing Units by Geography	465,036	21.3	20.2	19.1	39.2	0.3
Owner-Occupied Units by Geography	243,050	11.4	16.6	20.4	51.5	0.1
Occupied Rental Units by Geography	164,184	29.4	24.2	18.6	27.4	0.3
Vacant Units by Geography	57,802	39.5	23.7	14.9	20.7	1.1
Businesses by Geography	94,777	12.8	15.9	19.5	50.9	0.9
Farms by Geography	1,874	8.1	12.3	18.9	59.9	0.9
Family Distribution by Income Level	264,658	24.3	15.4	17.1	43.2	0.0
Household Distribution by Income Level	407,234	25.3	15.3	16.4	43.0	0.0
Median Family Income MSA - 32820 Memphis, TN-MS-AR MSA		\$58,214	Median Housing Value			\$136,284
Families Below Poverty Level		15.1%	Median Gross Rent			\$879

Source: 2015 ACS and 2021 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 2019, 2020, and 2021 median family incomes for the Memphis, TN-MS-AR MSA of \$63,700, \$65,900, and \$66,900 respectively. The following table denotes the income ranges for the low-, moderate-, middle- and upper-income designations.

Median Family Income Ranges - Memphis, TN-MS-AR MSA				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2019 (\$63,700)	<\$31,850	\$31,850 to <\$50,960	\$50,960 to <\$76,440	≥\$76,440
2020 (\$65,900)	<\$32,950	\$32,950 to <\$52,720	\$52,720 to <\$79,080	≥\$79,080
2021 (\$66,900)	<\$33,450	\$33,450 to <\$53,520	\$53,520 to <\$80,280	≥\$80,280

Source: FFIEC

According to Moody’s Analytics, as of 2023, major employers throughout the Memphis, TN-MS-AR MSA include FedEx Corp, United States Government, Methodist Le Bonheur Healthcare, and Baptist Memorial Healthcare Corp. According to the U.S. Bureau of Labor Statistics, as of January 2023, the Memphis, TN-MS-AR MSA reported an unemployment rate of 4.2 percent. The MSA’s unemployment rate of 4.2 percent for January 2023 rises above the 3.5 percent rate for the State of Tennessee, State of Mississippi 3.9 percent rate, and the U.S. rate of 3.4 percent.

Competition

The Memphis Multi-State MSA includes 23 financial institutions operating 265 branches throughout the Memphis TN-MSA rated area. According to June 30, 2022, FDIC Summary of Deposits data, CBM ranked 23rd in deposit market share with 0.63 percent of the rated areas deposits. The 2021 peer mortgage data and 2021 peer small business data indicate there are 648 home mortgage loan reporters and 164 small business-reporting lenders in this rated area. Overall, the competition level is high, however, it allows for lending opportunities.

Credit and Community Development Needs and Opportunities

Considering information obtained from the community contact, bank management, as well as demographic and economic data, examiners concluded the primary credit needs of the assessment area include small business and home mortgage loans.

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 rated area. Demographic data also showing that 38.9 percent of the area’s families reported low or moderate income suggest a need for CD activities that benefit projects or organizations that provide community services targeted to these families.

The 2021 FDIC Survey of Household Use of Banking and Financial Services noted that the unbanked rate for all households by MSA was at 17 percent for the Memphis, TN-MS-AR, the second highest unbanked rate of the 63 MSAs in the survey. A significant need exists to effectively reach the unbanked with responsible 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.

SCOPE OF EVALUATION – MEMPHIS MULTI-STATE MSA

The Memphis Multi-State MSA is considered a rated area. As such, the scope of the review will consist of full scope procedures of the area that makes up this rated area. There are no other full-scope or limited-scope AA that need to be considered for the rated area. Examiners considered the loans granted inside the bank’s Memphis Multi-State MSA assessment area as reported according to either the HMDA or CRA data collection reporting requirements. The weighting for the specific loan categories considers home mortgage loans to receive greater weight than small business lending, since home mortgage lending produced greater dollar volumes.

CONCLUSIONS ON PERFORMANCE CRITERIA IN MEMPHIS MULTI-STATE MSA

LENDING TEST

CBM demonstrated an adequate record in the Memphis Multi-State MSA regarding the Lending Test. Good lending levels, adequate records regarding geographic distribution, borrower profile, and a relatively high level of granting CD loans support this conclusion.

Lending Activity

Lending levels reflect good responsiveness to the rated area’s credit needs. Excellent records for home mortgage lending and good records small business lending support this conclusion.

Home Mortgage Loans

The institution originated 289 mortgage loans totaling approximately \$49.8 million in 2021. CBM’s volume of home mortgage lending activity ranks 15th out of 648 reporting home mortgage lenders in the Memphis Multi-State MSA, which positions CBM in the top 3 percent of lenders reporting home mortgage loans in the rated area and reflects excellent performance.

Small Business Loans

The institution originated 463 small business loans totaling approximately \$28.7 million in 2021. CBM’s volume of activity ranks 17th out of 164 reporting lenders in the Memphis Multi-State MSA. This activity positions CBM in the top 11 percent of lenders reporting small business loans in the rated area, reflecting good performance.

Geographic Distribution

The geographic distribution of loans reflects adequate penetration throughout the Memphis Multi-State MSA. Adequate performance regarding small business and home mortgage loans support this conclusion.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects adequate penetration throughout the Memphis Multi-State MSA. Adequate performance in moderate-income geographies outweighs the good performance in low-income geographies to support this conclusion.

As seen in the following table, CBM’s lending in low-income census tracts exceeds aggregate by 8.0 percentage points, reflecting good performance. The institution’s lending performance in moderate-income census tracts exceeds aggregate data by 1.9 percentage points, reflecting adequate performance.

Geographic Distribution of Home Mortgage Loans - Memphis Multi-State MSA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	11.4	4.2	45	12.2	1,332	2.5
Moderate	16.6	9.2	41	11.1	2,811	5.3
Middle	20.4	18.5	104	28.1	14,317	26.9
Upper	51.5	68.1	180	48.6	34,734	65.3
Not Available	0.1	0.0	0	0.0	0	0.0
Totals	100.0	100.0	370	100.0	53,194	100.0

*Source: 2015 ACS; Bank Data, 2021 HMDA Aggregate Data, "--" data not available.
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 Multi-State MSA. Adequate 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 trails aggregate by 3.5 percentage points, exhibiting adequate performance. CBM’s lending in moderate-income census tracts trails aggregate by 5.3 percentage points, also reflecting adequate performance.

Geographic Distribution of Small Business Loans - Memphis Multi-State MSA						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	12.8	11.9	39	8.4	1,287	4.5
Moderate	15.9	15.7	48	10.4	3,643	12.7
Middle	19.5	19.4	112	24.2	4,765	16.6
Upper	50.9	52.1	261	56.4	18,822	65.6
Not Available	0.9	0.9	3	0.6	167	0.6
Totals	100.0	100.0	463	100.0	28,684	100.0

*Source: 2021 D&B Data; Bank Data; 2021 CRA Aggregate Data, "--" data not available.
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 businesses of different sizes in the Memphis Multi-State MSA. Adequate performance regarding home mortgage loans and small business loans support this conclusion.

Home Mortgage Loans

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

As seen in the following table, CBM’s lending to low-income borrowers exceeds 0.8 percentage points above aggregate data, revealing adequate performance. The table further shows that to moderate-income borrowers, CBM’s lending exceeds 0.5 percentage points above the aggregate data, reflecting adequate performance.

Distribution of Home Mortgage Loans by Borrower Income Level - Memphis Multi-State MSA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	24.3	3.3	15	4.1	1,278	2.4
Moderate	15.4	11.1	43	11.6	5,324	10.0
Middle	17.1	17.6	64	17.3	9,814	18.4
Upper	43.2	43.9	173	46.8	27,242	51.2
Not Available	0.0	24.1	75	20.3	9,535	17.9
Totals	100.0	100.0	370	100.0	53,194	100.0

*Source: 2015 ACS; Bank Data, 2021 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%*

Small Business Loans

The distribution of borrowers reflects adequate penetration among business customers of different sizes in the Memphis Multi-State MSA. Adequate performance to businesses with gross annual revenue of \$1 million or less supports this conclusion. As seen in the following table, CBM’s lending to businesses with gross annual revenue of \$1 million or less falls 4.1 percentage points lower than aggregate data, reflecting adequate performance.

Detailed Distribution of Small Business Loans by Gross Annual Revenues - Memphis Multi-State MSA					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
< \$100,000	58.4	339	73.2	13,952	48.6
\$100,000 - \$249,999	20.3	15	3.2	2,382	8.3
\$250,000 - \$499,999	4.7	7	1.5	589	2.1
\$500,000 - \$1,000,000	2.7	20	4.3	2,505	8.7
Subtotal <= \$1,000,000	86.1	381	82.3	19,428	67.7
>\$1,000,000	4.3	82	17.7	9,256	32.3
Revenue Not Available	9.6	0	0.0	0	0.0
Total	100.0	463	100.0	28,684	100.0

Source: 2021 D&B Data, Bank Data. Due to rounding, totals may not equal 100.0%

Innovative or Flexible Lending Practices

The institution made limited use of innovative or flexible lending practices in the Memphis Multi-State MSA. The number and dollar volume of innovative loan products and flexible lending practices supports this conclusion. Examiners considered the dollar volume relative to the institution’s capacity and the credit needs of its assessment areas when arriving at this conclusion. The appendices list the criteria considered under this performance factor.

The table below shows that, since the previous evaluation, the bank originated 486 innovative or flexible loans totaling \$84.2 million in the Memphis Multi-State MSA. This dollar figure equates to 9.1 percent of the bank’s total innovative or flexible loans. Given the bank’s capacity and the needs in the rated area, the level of innovative and flexible loans reflects adequate responsiveness to the credit needs of the Memphis Multi-State MSA.

Innovative or Flexible Loans – Memphis Multi-State MSA												
Rated Area	SBA		Community Home Improvement Loans		USDA/FHA/VA		FMCC/ FNMA		MS Home Corp Down payment Assistance		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Memphis MSA	5	1255	105	909	137	32,933	215	48,966	24	168	486	84,231

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

Community Development Loans

The institution makes a relatively high level of CD loans in the Memphis Multi-State MSA. The relatively high level of CD loans in this rated area support this conclusion.

As seen in the following table, CBM originated 20 CD loans totaling approximately \$13.8 million in the Memphis Multi-State MSA rated area. By dollar, this equates to 4.1 percent of the

institution’s total CD loans and reflects good performance considering its fair share contribution to the overall excellent level of CD loans.

Community Development Lending – Memphis Multi-State MSA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2020	9	1,041	-	-	-	-	1	3,000	10	4,041
2021	4	747	-	-	1	1,623	-	-	5	2,370
2022	3	311	-	-	1	6,952	-	-	4	7,263
2023 (YTD)	1	104	-	-	-	-	-	-	1	104
Total	17	2,203	-	-	2	8,575	1	3,000	20	13,778

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

The following points provide examples of notable CD loans in the Memphis Multi-State MSA:

- **Economic Development** – The institution refinanced a hotel loan totaling \$7.0 million with a smaller interest rate. The hotel supports 20 low- and moderate- income jobs at the business. The smaller loan payment puts less pressure on the hotel operations that suffered as a result of the COVID-19 shutdowns.
- **Affordable Housing** – The institution originated multiple loans to an organization that focuses on the construction of affordable housing for low- to moderate-income individuals that reside within Shelby and Desoto Counties.

CBM’s CD loans reflect good responsiveness to the CD needs of the AA. As seen in the prior table, CBM engaged in CD activities in most categories, but most notably within economic development, affordable housing, and revitalize or stabilize.

INVESTMENT TEST

CBM demonstrated an adequate record in the Memphis Multi-State MSA regarding the Investment Test. An adequate level of QIs and responsiveness to CD needs support this conclusion.

Investment and Grant Activity

The institution has an adequate level of qualified community investments and grants, rarely in a leadership position, particularly those that are not routinely provided by private investors, in the Memphis Multi-State MSA. As seen in the following table, CBM made 37 QIs and grants totaling approximately \$1.9 million in the Memphis Multi-State MSA. By dollar volume, this equates to 6.1 percent of the institution’s total QIs as compared to 5.4 percent of total deposits in this rated area.

Qualified Investments – Memphis Multi-State MSA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	-	-	-	-	-	-	4	1,879	4	1,879
2020	-	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-	-
2023 (YTD)	-	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	4	1,879	4	1,879
Qualified Grants & Donations	7	14	25	7	-	-	1	2	33	23
Total	7	14	25	7	-	-	5	1,881	37	1,902

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

The following lists examples of QIs in the Memphis Multi-State MSA:

- **Revitalize and Stabilize** - The institution purchased a bond totaling approximately \$1.2 million for the purpose of constructing municipal buildings, community center, etc. in a town consisting of moderate-income census tracts. These investments revitalize and stabilize low- and moderate-income areas by improving the public facilities, which help in attracting and retaining businesses and residents.
- **Revitalize and Stabilize** - The institution invested \$247,000 with a minority owned CDFI. The organizations mission is dedicated to expanding economically disadvantaged individuals and underserved communities by providing access to financial products. The bank’s branch is located within a moderate-income census tract within the Memphis Multi-State MSA.

Responsiveness to Credit and Community Development Needs

CBM exhibits adequate responsiveness to credit and CD needs in the Memphis Multi-State MSA. The prior tables show responsiveness based on CBM’s investments by dollar amount primarily supporting CD purposes for revitalize and stabilization of the designated area. The AA’s low- and moderate-income census tracts consist of 46.5 percent of the available tracts to support this conclusion.

Community Development Initiatives

CBM occasionally use innovative and/or complex investments to support CD initiatives. CBM did not use any innovative QIs.

SERVICE TEST

CBM demonstrated a high satisfactory record in the Memphis Multi-State MSA regarding the Service Test. A relatively high level of CD services outweigh the adequate access of delivery systems and reasonableness of services and hours to support this conclusion.

Accessibility of Delivery Systems

Delivery systems prove reasonably accessible to essentially all portions of the Memphis Multi-State MSA. 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, CBM does not have any branches. The table further shows that in the moderate-income census tracts, the percentage of CBM’s branch distribution falls 0.6 percentage points below the population residing in those areas. The reasonable performance in the moderate-income census tracts outweighs the bank having no branch presence in the low-income census tracts to support this conclusion.

Branch and ATM Distribution – Memphis Multi-State												
Tract Income Level	Census Tracts		Population		Branches		ATMs		Opened Branches		Closed Branches	
	#	%	#	%	#	%	#	%	#	%	#	%
Low	51	17.6	143,782	12.9	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	77	26.6	285,857	25.6	1	25.0	1	33.3	0	0.0	0	0.0
Middle	62	21.4	267,159	24.0	2	50.0	2	66.7	0	0.0	0	0.0
Upper	88	30.3	405,105	36.3	1	25.0	0	0.0	0	0.0	0	0.0
NA	12	4.1	13,155	1.2	0	0.0	0	0.0	0	0.0	0	0.0
Totals	290	100.0	1,115,058	100.0	4	100.0	3	100.0	0	0.0	0	100.0

Source: 2020 U.S. Census & Bank Data; Due to rounding, totals may not equal 100.0%.

Alternative Delivery Systems

The institution’s ATMs and alternative delivery systems are reasonably accessible throughout the AA. As seen in the prior table, none of CBM’s ATMs are located within the low-income census tracts. The table further shows that in moderate-income census tracts, the percentage of CBM’s ATM rises 8.3 percentage points above the population residing in those areas.

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

Changes in Branch Locations

CBM did not open or close any branches in the Memphis Multi-State MSA. This component section did not have an impact on the services test.

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. CBM drive up hours maintain extended hours opening 30 minutes prior to the banks lobby and closing at the same time as the lobby.

Over 75 percent of the bank’s locations in the Memphis MSA operate with 8:30 am to 4:30 pm drive-up hours Monday through Thursday. On Friday, the bank’s drive-up hours are extended to 5:30 pm.

Community Development Services

The institution provides a relatively high level of CD services in the Memphis MSA.

The following table shows the institution provided 45 CD services since the previous evaluation in the Memphis MSA. Service activities demonstrate adequate responsiveness to CD needs for general financial literacy for students and adults; and, aiding customers in applying for grants.

Community Development Services – Memphis MSA					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2020	11	1	-	-	12
2021	4	9	-	-	13
2022	11	9	-	-	20
2023 (YTD)	-	-	-	-	-
Total	26	19	0	0	45

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

The following lists examples of CD services in the Memphis MSA:

- **Community Service** – Several bank employees taught multiple financial literacy courses covering a wide range of topics to include basic banking and borrowing services and credit management. Each participant receives a notebook with all the information discussed in the class. A majority of the participants in the classes were low- or moderate-income learners.
- **Community Service** – Several bank employees served as the facilitator to assist organizations in the community to apply for the Partnership Grant through the FHLB of Dallas. The funds from the program helped to provide resources to low- and moderate-income families and geographies.

MISSISSIPPI

CRA RATING FOR (RATED AREA #2): SATISFACTORY

The Lending Test is rated: Outstanding

The Investment Test is rated: Low Satisfactory

The Service Test is rated: High Satisfactory

DESCRIPTION OF INSTITUTION’S OPERATIONS IN MISSISSIPPI

CBM designated four assessment areas in Mississippi as noted in the table below. Washington County within the Non-MSA is the only partial county taken within the entire institution. All of the bank’s assessment areas in Mississippi conform to the CRA regulatory requirements. See the applicable full-scope section for additional information.

Description of Mississippi Assessment Areas			
Assessment Area	Counties in Assessment Area	# of CTs	# of Branches
Non-MSA	George, Greene, Jones, Lauderdale, Lee, Monroe, Scott, Smith, Sunflower, and Washington	89	15
Jackson MSA	Hinds, Madison, Rankin	112	8
Gulfport-Biloxi MSA	Hancock, Harrison, Jackson	83	8
Hattiesburg MSA	Lamar, Forrest	25	2
<i>Source: Bank Records; 2015 ACS.</i>			

SCOPE OF EVALUATION – MISSISSIPPI

Full-Scope Assessment Area

Of the four assessment areas in Mississippi, examiners applied full-scope procedures to the Non-MSA assessment area since it generated the largest percentage of the bank’s loans, deposits, and offices. Examiners applied limited-scope procedures to the other Mississippi assessment areas.

Loan Categories Reviewed

Examiners considered the loans granted inside the bank’s Mississippi assessment areas as reported according to either the HMDA or CRA data collection reporting requirements. The weighting for the specific loan categories considers small business loans to receive greater weight than home mortgage lending, since small business lending produced greater number volumes.

Assessment Area Weighting

The following table shows that the Non-MSA assessment area generated the largest percentage of the bank’s Mississippi loans, deposits, and branches. Consequently, examiners weighed records in the MS Non-MSA assessment area heaviest when arriving at applicable conclusions and ratings. Examiners weighed performance in each reviewed area consistent with that area’s lending level as reflected in the following table.

Assessment Area Distribution – State of Mississippi						
Assessment Area	Loans		Deposits		Branches	
	\$(000s)	%	\$(000s)	%	#	%
Gulfport-Biloxi MSA	406,696	18.3	566,506	17.6	8	24.2
Hattiesburg MSA	215,320	9.7	233,422	7.3	2	6.1
Jackson MSA	533,235	24.0	883,380	27.5	8	24.2
Mississippi Non-MSA	1,066,401	48.0	1,533,887	47.7	15	45.5
Total	2,221,652	100.0	3,217,195	100.0	33	100.0
<i>Source: HMDA & CRA Data (2019-2021); FDIC Summary of Deposits (06/30/2022). Due to rounding, totals may not equal 100.0%.</i>						

Investment and Service Tests

The scopes for the Investment and Service Tests remain the same for this rated area as it did for the institution as a whole. Please refer to the institution-level Scope of Evaluation section.

CONCLUSIONS ON PERFORMANCE CRITERIA IN MISSISSIPPI

LENDING TEST

CBM demonstrated an outstanding record in the State of Mississippi regarding the Lending Test. Excellent lending levels and community development loans; good records regarding borrower profile loan distribution; adequate performance records regarding geographic distribution; and, extensive use of innovative and flexible lending levels in this rated area primarily support this conclusion. Conclusions regarding the institution’s performance in the State of Mississippi were varied between consistent and below consistent with the conclusions for each assessment area within the rated area.

Lending Activity

Lending levels reflect excellent responsiveness to assessment area credit needs in the State of Mississippi. Excellent performance regarding both home mortgage and small business support this conclusion. Examiners placed equal weight on the both products taking into account both the number of loans and dollar volume. Examiners considered the bank’s size, business strategy, and capacity in this state relative to its credit needs when arriving at this conclusion.

Home Mortgage Loans

Home mortgage lending levels reflect excellent responsiveness to assessment area credit needs in the State of Mississippi. For 2021, the bank originated 3,790 total reportable home mortgage loans totaling approximately \$595.7 million in its Mississippi assessment areas. CMB captured a 4.9 percent market share of the total number of home mortgage loans and 3.77 percent market share of the total dollar volume of home mortgage loans in the Mississippi assessment areas.

This volume of activity ranks the bank 4th out of 543 total lenders in the bank’s Mississippi assessment areas. This ranking lands the bank in the top 1.0 percent of lenders reporting such loans in the bank’s Mississippi assessment areas. The ranking considers the total number and dollar amount of loans made by each institution.

Small Business Loans

Small business lending levels reflect excellent responsiveness to assessment area credit needs in the State of Mississippi. For 2021, the bank originated 5,967 total reportable small business loans totaling approximately \$286.9 million inside its Mississippi assessment areas. CBM captured a 14.4 percent market share of the total number of small business loans and a 15.0 percent market share of the total dollar volume of loans.

This volume of activity ranks the bank 1st out of 166 total lenders in the bank's Mississippi assessment areas. This ranking lands the bank in the top 1 percent of lenders reporting such loans in the bank's Mississippi assessment areas. The ranking considers the total number and dollar amount of loans made by each institution.

Geographic Distribution

The geographic distribution of loans reflects adequate penetration throughout the State of Mississippi. Adequate records regarding both small business and home mortgage loans support this conclusion. The bank's performance is generally consistent throughout the assessment areas within the rated area, unless otherwise noted. Examiners placed the most weight on the bank's Non-MSA assessment area.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects adequate penetration throughout the State of Mississippi. Adequate performances in all AAs support this conclusion.

Small Business Loans

The geographic distribution of small business loans reflects adequate penetration throughout the State of Mississippi. Adequate performances in all assessment areas support this conclusion.

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 customers of different sizes. Good records regarding small business loans outweighed adequate records regarding home mortgage loans to support this conclusion. The bank's performance is generally consistent throughout the assessment areas within the rated area, unless otherwise noted. Examiners placed the most weight on the bank's Non-MSA.

Home Mortgage Loans

The distribution of borrowers reflects adequate penetration among retail customers of different income levels. Adequate performances throughout the AA support this conclusion.

Small Business Loans

The distribution of borrowers reflects excellent penetration among business customers of different sizes. Excellent performance throughout the AA support this conclusion.

Innovative or Flexible Lending Practices

The institution made extensive use of innovative or flexible lending practices in the State of Mississippi. The number and dollar volume of innovative loan products and flexible lending practices supports this conclusion. Examiners considered the dollar volume relative to the institution’s capacity and the credit needs of its assessment areas when arriving at this conclusion. The appendices list the criteria considered under this performance factor.

The table below shows that, since the previous evaluation, the bank originated 3,561 innovative or flexible loans totaling \$675.8 million in the State of Mississippi. This dollar figure equates to 73.2 percent of the bank’s total innovative or flexible loans. Given the bank’s capacity and the needs in the rated area, the level of innovative and flexible loans reflects good responsiveness to the credit needs of the State of Mississippi.

Innovative or Flexible Loans State of Mississippi												
Assessment Area	SBA		Community Home Improvement Loans		USDA/FHA/VA		FMCC/ FNMA/State Housing		MS Home Corp Down Payment Assistance		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Non-MSA	27	14,696	6	25	269	42,183	655	126,310	37	256	994	183,470
Gulfport Biloxi MSA	14	4,330	12	100	80	16,824	300	65,481	10	67	416	86,802
Hattiesburg	5	3,032	2	15	85	16,777	180	39,217	13	85	285	59,126
Jackson MSA	47	14,348	199	1,732	501	103,374	983	226,048	136	945	1866	346,447
Total	93	36,406	219	1,872	935	179,158	2,118	457,056	196	1,353	3,561	675,845

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

Community Development Loans

The institution is a leader in making CD loans in the State of Mississippi. Its extent, or dollar volume, of CD loans and the CD loans’ responsiveness support this conclusion. The bank’s performance is generally consistent throughout the assessment areas, with the exception of the Jackson MSA and Hattiesburg MSA, which had good performance. Examiners placed the most weight on the bank’s Non-MSA.

The following table shows that, since the previous evaluation, the bank granted 186 CD loans totaling approximately \$213.6 million in this state. The dollar amount equates to 63.0 percent of the bank’s overall level of CD loans.

Community Development Loans State of Mississippi										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
MS Non-MSA	20	5,352	3	8,525	22	41,038	46	62,640	91	117,555
MS Gulfport – Biloxi MSA	11	4,956	-	-	8	19,103	11	29,397	30	53,456
MS Hattiesburg MSA	40	11,365	1	1,582	2	2,018	-	-	43	14,965
MS Jackson MSA	13	3,340	-	-	4	7,765	5	16,487	22	27,592
Total	84	25,013	4	10,107	36	69,924	62	108,524	186	213,569
<i>Source: Bank records.</i>										

Besides their extent, the CD loans reflect good responsiveness to the state’s CD needs. As seen in the table above, 50.8 percent of the dollar volume of the state’s CD loans help revitalize or stabilize low- and moderate-income geographies, while 32.7 percent benefit economic development and 11.7 percent of affordable housing for low- and moderate-income individuals.

The following points discuss examples of the bank’s CD lending activities in the broader statewide area of Mississippi:

- ***Economic Development*** – The bank originated one loan totaling \$1.8 million for the construction of a three-unit development in an opportunity zone. Two of the units currently have leases that will house two fast food restaurants that will support LMI jobs. The loan helps to spur small business and support the development of LMI jobs.
- ***Revitalize or Stabilize*** – The bank originated one-loan totaling \$1.6 million to purchase 5 retail centers in a moderate-income census tract. The purchase of the retail spaces will bring stability to the mall and preserve the jobs of the employees that work within the spaces.

INVESTMENT TEST

CBM demonstrated an adequate record in the State of Mississippi regarding the Investment Test. The adequate level of QIs and use of innovative or complex QIs outweighed the good responsiveness to CD needs to support this conclusion. The assessment areas in this state reflect varied performance in the Investment Test, with the Jackson MSA and Gulfport-Biloxi MSA underperforming performance for the state.

Investment and Grant Activity

The bank has an adequate level of QIs in the State of Mississippi. The table below shows that CBM made 459 QIs and grants totaling approximately \$26.6 million in the State of Mississippi. By dollar volume, this equates to 85.8 percent of the bank’s total QIs as compared to 74.9 percent of total deposits in this rated area. The dollar amount includes QIs in regional areas including the State of Alabama when the dollar amount of investments is readily available within the state.

Qualified Investments - State of Mississippi										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
MS Non-MSA	9	1	184	3,740	4	4	33	3,012	230	6,757
MS Gulfport-Biloxi	7	7	66	108	-	-	8	1,201	81	1,316
MS Hattiesburg	1	<1	13	2,843	-	-	5	4,109	19	6,952
MS Jackson	26	57	86	637	3	4	5	261	120	959
Statewide Activities	6	10,599	-	-	-	-	3	33	9	10,632
Total	49	10,664	349	7,328	7	8	54	8,616	459	26,616

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

Since CBM’s QIs addressed community credit needs inside the bank’s AAs within the State of Mississippi, statewide activities include investments in different areas outside of the bank’s AAs within the State of Mississippi.

Responsiveness to Credit and Community Development Needs

CBM’s CD activities show good responsiveness through use of investments that directly address identified needs in the State of Mississippi. The previous table shows responsiveness to a wide variety of CD needs by the dollar amount to three of the four CD purpose categories, including a significant dollar volume to affordable housing for low- and moderate-income.

CBM’s major investments addressed the following needs throughout various AAs in the State of Mississippi:

- **Affordable Housing** – The bank invested 2.8 million in a Mississippi refunding bonds designed to provide funding necessary to low- and moderate-income individuals for purchasing affordable housing.
- **Revitalize and Stabilize** – The bank invested \$100,000 in a foundation designated for the design, construction, installation and operations of a local attraction. The attraction is located in an opportunity zone to spur development and revitalize the area after a past natural disaster devastated the area.

Community Development Initiatives

CBM occasionally use innovative and/or complex investments to support CD initiatives. CBM did not use any innovative QIs.

SERVICE TEST

CBM demonstrated a reasonable record for the State of Mississippi regarding the Service Test. The adequate record of changes in branch locations and reasonableness of business hours and services outweigh the relatively high level regarding the bank’s CD services and readily accessibility of delivery systems to support this conclusion. Conclusions regarding this test factor were consistent with the conclusions for each assessment area within the rated area.

Accessibility of Delivery Systems

Delivery systems prove reasonably accessible to essentially all portions of the Mississippi 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, CBM branch distribution falls 2.6 percent below the population residing in those areas. The table further shows that in the moderate-income census tracts, the percentage of CBM’s branch distribution rises 7.3 percentage points above the population residing in those areas. The reasonable performance in the low- and moderate-income census tracts support this conclusion.

Branch and ATM Distribution by Geography Income Level State of Mississippi												
Tract Income Level	Census Tracts		Population		Branches		ATMs		Open Branches		Closed Branches	
	#	%	#	%	#	%	#	%	#	%	#	%
Low	33	7.8	78,194	5.6	1	3.0	1	2.4	0	0.0	0	0.0
Moderate	74	17.4	237,792	16.9	8	24.2	10	24.4	0	0.0	0	0.0
Middle	161	37.9	539,462	38.4	13	39.4	17	41.5	1	33.3	0	0.0
Upper	141	33.2	533,272	37.9	10	30.3	13	31.7	1	33.3	0	0.0
NA	16	3.8	17,311	1.2	1	3.0	0	0.0	1	33.3	0	0.0
Totals	425	100.0	1,406,031	100.0	33	100.0	41	100.0	3	100.0	0	100.0

Source: 2020 U.S. Census & Bank Data. Due to rounding, totals may not equal 100.0%

Alternative Delivery Systems

The bank makes its alternative delivery systems readily accessible to all portions of the bank’s assessment areas in the State of Mississippi.

The preceding table shows that the bank’s ATMs in low-income tracts falls 3.2 percentage points below the population in low-income census tracts, thereby reflecting an adequate level. The bank’s ATMs in moderate-income tracts rises 7.5 percentage points above the population in moderate-income tracts, reflecting adequate performance. The adequate performance in both the low- and moderate-income geographies supports this conclusion. Refer to the Service Test section for the

overall bank for specific details of retail banking systems available through alternative delivery systems.

Changes in Branch Locations

The institution’s record of opening and closing of branches in State of Mississippi has generally not adversely affected low- and moderate-income geographies or individuals of geographies. No branch changes occurred in low- and moderate-income tracts in the State of Mississippi. One branch opened in a middle-income tract.

Reasonableness of Business Hours and Services

Services, including where appropriate, business hours, do not vary in a way that inconveniences portions of the State of Mississippi, particularly low- or moderate-income geographies or individuals. The State of Mississippi reflects product offerings, services, and branch hours consistent with discussion at the institution level. CBM drive up hours maintain extended hours opening 30 minutes prior to the banks lobby locations that open at 9:00 am.

Over 57.6 percent of the bank’s locations in Mississippi operate with 9:00 am to 4:30 pm drive-up hours Monday through Thursday. On Friday, 60.6 percent of the bank’s branches operate lobby hours of 9:00 am to 5:30 pm.

Community Development Services

The institution provides a relatively high level of CD services for the State of Mississippi. Good performances regarding the extent of CD services and the responsiveness of CD services to available opportunities support this conclusion. The appendices list the criteria considered under this performance factor.

The following table shows that the bank provided 386 CD services since the previous evaluation.

Community Development Services State of Mississippi					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
Non-MSA	10	103	1	13	127
Jackson MSA	34	103	1	10	148
Hattiesburg MSA	1	19	-	-	20
Gulfport-Biloxi MSA	12	37	2	40	91
Total	57	262	4	63	386

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

The following point describes the statewide or regional CD service the bank provided:

- **Revitalize and Stabilize** - A bank employee helped several bank customers facilitate a FHLB Special Needs Assistance Program (SNAP) grant. The grant provides funds to low- and

moderate-income individuals to make needed repairs to their home.

- ***Revitalize and Stabilize*** – A bank member serves on the board of a local neighborhood community organization with the mission of improving neighborhoods assisting low- and moderate-income residents become homeowners. In addition to serving on the board the bank member provided financial advice on lending programs through the organization.

MS Non-MSA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN MS NON-MSA

The MS Non-MSA encompasses the following counties: George, Greene, Jones, Lauderdale, Lee, Monroe, Scott, Smith, Sunflower, and portion of Washington. The institution operates 15 full-service branches and 16 ATMs in the MS Non-MSA.

Economic and Demographic Data

The 89 tracts in the MS Non-MSA reflect the following income designations based on 2015 ACS data: 5 low-, 17 moderate-, 38 middle-, and 27 upper-income tracts and 2 tract with no income designation. Some counties received a major disaster designation and all counties received a disaster designation in 2020 due to the COVID-19 pandemic. The Branch and ATM Distribution table under the services test will represent differing census tracts totals due to the use of 2020 census data to generate that table.

The following table notes certain demographic data for the AA.

Demographic Information of the Assessment Area						
Assessment Area: MS Non-MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	89	5.6	19.1	42.7	30.3	2.2
Population by Geography	387,792	4.1	14.9	44.9	36.1	0.0
Housing Units by Geography	162,863	4.2	15.0	44.7	36.0	0.0
Owner-Occupied Units by Geography	98,593	2.5	11.7	46.0	39.8	0.0
Occupied Rental Units by Geography	41,345	7.8	22.5	39.6	30.2	0.0
Vacant Units by Geography	22,925	5.2	16.2	48.4	30.1	0.0
Businesses by Geography	26,369	6.0	19.2	38.3	36.3	0.2
Farms by Geography	1,133	0.7	14.4	52.5	32.3	0.1
Family Distribution by Income Level	96,759	21.8	16.2	16.6	45.4	0.0
Household Distribution by Income Level	139,938	22.8	15.3	15.3	46.6	0.0
Median Family Income Non-MSAs – MS		\$43,897	Median Housing Value			\$94,660
			Median Gross Rent			\$633
			Families Below Poverty Level			18.0%

Source: 2015 ACS and 2021 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 2019, 2020, and 2021 median family incomes for the MS Non-MSA of \$47,800, \$49,800, and \$51,400 respectively. The following table denotes the income ranges for the low-, moderate-, middle- and upper-income designations.

Median Family Income Ranges – MS Non-MSA				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2019 (\$47,800)	<\$23,900	\$23,900 to <\$38,240	\$38,240 to <\$57,360	≥\$57,360
2020 (\$49,800)	<\$24,900	\$24,900 to <\$39,840	\$39,840 to <\$59,760	≥\$59,760
2021 (\$51,400)	<\$25,700	\$25,700 to <\$41,120	\$41,120 to <\$61,680	≥\$61,680

Source: FFIEC

According to the Lee County Community Development Foundation, major employers in Lee County (largest county in the MS Non-MSA by population) include Toyota Motor Manufacturing, Cooper Tires, MTD Products, General Atomic, FXI Hunter Douglas, and Ashley Furniture. According to the U.S. Bureau of Labor Statistics, as of January 2023, the unemployment rates for each county are as follows – George 4.7 percent, Greene 5.7 percent, Jones 3.5 percent, Lauderdale 3.6 percent, Lee 3.1 percent, Monroe 4.1 percent, Scott 2.8 percent, Smith 3.1 percent, Sunflower 5.4 percent, and Washington 5.3 percent. The differing counties unemployment rate varied with some raising above and some falling below the 3.9 percent unemployment rate for the State of Mississippi and the U.S. rate of 3.4 percent.

Competition

The MS Non-MSA includes 32 financial institutions operating 162 branches throughout the AA. According to June 30, 2022, FDIC Summary of Deposits data, CBM ranked fourth in deposit market share with 13.0 percent of the AA's deposits. The 2021 peer mortgage data and 2021 peer small business data indicate there are 301 home mortgage loan reporters and 98 small business-reporting lenders in this AA. Overall, the competition level allows for lending opportunities.

Community Contact(s)

As part of the evaluation process, examiners contacted a third party active in the assessment area to assist in identifying the credit needs. This information helps determine local financial institution's responsiveness to these needs. It also shows what credit opportunities are available.

Examiners contacted a representative from an organization that focuses literacy, postsecondary educational opportunities and workforce preparation in more than 15 counties in the Mississippi Delta Region, including the bank's assessment area. The contact noted the economy had improved in some areas, but remains stagnant in most of the areas they serve. The contact identified small business loans and small dollar consumer loans as the primary credit needs of the area. The contact mentioned that one bank currently partners with them, but indicated there is ample opportunity for more bank involvement in the form of affordable housing needs and career development.

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 38.0 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, 24.7 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 the state of Mississippi was at 12.8 percent, which is 7.4 percent higher than the average unbanked levels for all states. 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 MS NON-MSA

LENDING TEST

CBM demonstrated an outstanding record in the MS Non-MSA regarding the Lending Test. Excellent lending levels, Community Development lending, and innovative or flexible lending outweigh the good records regarding borrower profile and adequate record regarding geographic distribution to support this conclusion.

Lending Activity

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

Home Mortgage Loans

The institution originated 1,560 mortgage loans totaling approximately \$192.7 million in 2021. CBM's volume of home mortgage lending activity ranks 1st out of 301 reporting home mortgage lenders in the Non-MSA, which positions CBM in the top one percent of lenders reporting home mortgage loans in the AA and reflects excellent performance.

Small Business Loans

The institution originated 2,642 small business loans totaling approximately \$94.6 million in 2021. CBM's volume of activity ranks 1st out of 98 reporting lenders in the Non-MSA. This activity positions CBM in the top one percent of lenders reporting small business loans in the AA, reflecting excellent performance.

Geographic Distribution

The geographic distribution of loans reflects adequate penetration throughout the MS Non-MSA. Adequate performance regarding home mortgage and small business loans support this conclusion.

Home Mortgage Loans

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

As seen in the following table, CBM's lending in low-income census tracts exceeds aggregate by 1.3 percentage points, reflecting adequate performance. The institution's lending performance in moderate-income census tracts also exceeds aggregate data by 4.1 percentage points, reflecting adequate performance.

Geographic Distribution of Home Mortgage Loans – MS Non-MSA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	2.5	0.9	30	2.2	3,039	1.8
Moderate	11.7	7.9	167	12.0	14,133	8.5
Middle	46.0	41.2	623	45.0	74,552	44.6
Upper	39.8	50.0	566	40.8	75,393	45.1
Not Available	0.0	0.0	0	0.0	0	0.0
Totals	100.0	100.0	1,386	100.0	167,116	100.0

Source: 2015 ACS; Bank Data, 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.

Small Business Loans

The geographic distribution of small business loans reflects adequate penetration throughout the MS Non-MSA. Adequate 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 trails aggregate by 0.6 percentage points, exhibiting adequate performance. CBM’s lending in moderate-income census tracts trails aggregate by 3.6 percentage points, also reflecting adequate performance.

Geographic Distribution of Small Business Loans- MS Non-MSA						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	6.0	4.2	96	3.6	7,962	8.4
Moderate	19.2	16.5	341	12.9	16,198	17.1
Middle	38.3	42.8	1,323	50.2	42,989	45.5
Upper	36.3	36.4	878	33.3	27,377	29.0
Not Available	0.2	0.1	0	0.0	0	0.0
Totals	100.0	100.0	2,638	100.0	94,526	100.0

Source: 2021 D&B Data; Bank Data; 2021 CRA Aggregate Data, "--" data not available. 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 customers of different sizes in the Non-MSA. Excellent performance regarding small business 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 MS Non-MSA. Adequate performance to low- and moderate-income borrowers supports this conclusion.

As seen in the following table, CBM’s lending to low-income borrowers rises 1.1 percentage points above aggregate data, revealing adequate performance. The table further shows that to moderate-income borrowers, CBM’s lending falls 0.3 percentage points below the aggregate data, reflecting adequate performance.

Distribution of Home Mortgage Loans by Borrower Income Level- MS Non-MSA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	21.8	2.9	55	4.0	2,500	1.5
Moderate	16.2	12.1	164	11.8	11,344	6.8
Middle	16.6	19.6	258	18.6	23,931	14.3
Upper	45.4	48.2	749	54.0	104,759	62.7
Not Available	0.0	17.2	160	11.5	24,583	14.7
Totals	100.0	100.0	1,386	100.0	167,116	100.0

Source: 2015 ACS; Bank Data, 2021 HMDA Aggregate Data, "--" data not available. 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 MS Non-MSA. Excellent performance to businesses with gross annual revenue of \$1 million or less supports this conclusion. As seen in the following table, CBM’s lending to businesses with gross annual revenue of \$1 million or less rises 14.8 percentage points higher than aggregate data, reflecting excellent performance.

Detailed Distribution of Small Business Loans by Gross Annual Revenues- MS Non-MSA					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
< \$100,000	42.4	2,219	84.1	62,774	66.4
\$100,000 - \$249,999	31.4	214	8.1	9,591	10.1
\$250,000 - \$499,999	5.3	78	3.0	3,319	3.5
\$500,000 - \$1,000,000	3.0	39	1.5	4,047	4.3
Subtotal <= \$1,000,000	82.2	2,550	96.7	79,731	84.3
>\$1,000,000	4.4	87	3.3	14,786	15.6
Revenue Not Available	13.4	1	0.0	9	0.0
Total	100.0	2,638	100.0	94,526	100.0

Source: 2021 D&B Data, Bank Data. Due to rounding, totals may not equal 100.0%.

Innovative or Flexible Lending Practices

The institution makes extensive use of innovative or flexible lending practices in the MS Non-MSA in order to serve assessment area credit needs. The number and dollar volume of innovative loan products and flexible lending practices supports this conclusion. Examiners considered the dollar volume relative to the institution’s capacity and the credit needs of the assessment area when arriving at this conclusion. Please refer to the discussion under the State of Mississippi for additional details regarding the innovative or flexible lending practices in the MS Non-MSA.

Community Development Loans

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

As seen in the following table, CBM originated 91 CD loans totaling approximately \$117.6 million in the MS Non-MSA. By dollar, this equates to 34.7 percent of the institution’s total CD loans and reflects excellent performance considering its more than fair share contribution to the overall excellent level of CD loans.

Community Development Lending – MS Non-MSA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2019 (Partial)	1	32	-	-	-	-	-	-	1	32
2020	9	1,756	2	6,490	11	18,059	26	37,820	48	64,125
2021	7	1,567	-	-	3	4,270	12	12,563	22	18,400
2022	2	1,894	1	2,035	8	18,709	7	11,028	18	33,667
2023 (YTD)	1	102	-	-	-	-	1	1,229	2	1,331
Total	20	5,352	3	8,525	22	41,038	46	62,640	91	117,555

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

The following points provide examples of notable CD loans in the MS Non-MSA:

- **Revitalize/Stabilize** – The institution originated a loan totaling \$4.5 million to construct a new business with facilities to include warehouses, corporate office, and storage tanks in a moderate-income census tract within the AA. The business will help to attract and retain businesses and residents in the area to help stabilize the census tract.
- **Economic Development** – The institution originated a loan totaling \$1.5 million to refinance a loan made with a local hardware store in the AA secured by the store and a new building that will hold additional inventory for the store. The store provides low- and moderate-income jobs in the area and help to support the local economy.

CBM’s CD loans reflect excellent responsiveness to the CD needs of the AA. As seen in the prior table, CBM engaged in CD activities in all categories, but most notably within revitalize or stabilize and economic development.

INVESTMENT TEST

CBM demonstrated an adequate record in the MS Non-MSA regarding the Investment Test. An adequate level of QIs and responsiveness to CD needs support this conclusion.

Investment and Grant Activity

The institution has an adequate level of qualified community investments and grants, rarely in a leadership position, in the MS Non-MSA. As seen in the following table, CBM made 230 QIs and grants totaling approximately \$6.8 million in the MS Non-MSA. By dollar volume, this equates to 21.9 percent of the institution’s total QIs and reflects a fair share contribution the institution’s overall adequate level.

Qualified Investments – MS Non-MSA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	-	-	1	1,024	-	-	2	2,737	3	3,761
2020 (Partial)	-	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-	-
2022	-	-	1	2,419	-	-	-	-	1	2,419
2023 (YTD)	-	-	-	-	-	-	-	-	-	-
Subtotal	-	-	2	3,443	-	-	2	2,736	4	6,180
Grants & Donations	9	1	182	297	4	4	31	276	226	576
Total	9	1	184	3,740	4	4	33	3,012	230	6,757

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

The following lists examples of QIs in the MS Non-MSA:

- **Revitalize and Stabilize** - The institution made a \$41,000 investment in bonds for Moorhead MS were a majority of the population is LMI. The bonds purpose is to assist with public improvements in the city. These improvements will help to revitalize and stabilize the area.
- **Community Service** - The bank purchased a bond for \$2.4 million to support a school district where a majority of the students receive free or reduced lunch. The purpose of the bond is to provide funds to purchase, repair, equip, remodel, construct and improve school buildings and related facilities

Responsiveness to Credit and Community Development Needs

CBM exhibits good responsiveness to credit and CD needs in the MS Non-MSA. The prior tables show responsiveness based on CBM’s investments by dollar amount primarily supporting CD purposes for revitalization and stabilization and community service of the designated area.

Community Development Initiatives

CBM occasionally use innovative and/or complex investments to support CD initiatives. CBM did not use any innovative QIs.

SERVICE TEST

CBM demonstrated an adequate record in the MS Non-MSA regarding the Service Test. An adequate level of CD services and reasonableness of services and hours outweigh the excellent level of access of delivery systems to support this conclusion.

Accessibility of Delivery Systems

Delivery systems prove reasonably accessible to essentially all portions of the MS Non-MSA. Outstanding regards for the alternative delivery systems outweighs the good branch distribution to support this conclusion.

Branch Distribution

The following table shows that in low-income census tracts, the percentage of CBM’s branches rises 3.0 percentage points above the population residing in those areas. The table further shows that in moderate-income census tracts, the percentage of CBM’s branches rises 6.3 percentage points above the population residing in those areas. Performance in both areas reflects a good record.

Branch and ATM Distribution – MS Non-MSA												
Tract Income Level	Census Tracts		Population		Branches		ATMs		Opened Branches		Closed Branches	
	#	%	#	%	#	%	#	%	#	%	#	%
Low	6	5.3	13,621	3.7	1	6.7	1	6.3	0	0.0	0	0.0
Moderate	14	12.3	51,024	13.7	3	20.0	3	18.8	0	0.0	0	0.0
Middle	51	44.7	164,631	44.3	7	46.7	8	50.0	0	0.0	0	0.0
Upper	40	35.1	142,470	38.3	4	26.7	4	25.0	0	0.0	0	0.0
NA	3	2.6	61	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Totals	114	100.0	371,807	100.0	15	100.0	16	100.0	0	0.0	0	100.0

Source: 2020 U.S. Census & Bank Data; Due to rounding, totals may not equal 100.0.

Alternative Delivery Systems

The institution’s ATMs and alternative delivery systems are reasonably accessible throughout the AA. As seen in the prior table, the percentage of CBM’s ATMs rises 2.6 percentage points above the population residing in low-income areas. The table further shows that in moderate-income

census tracts, the percentage of CBM’s ATMs rises 5.1 percentage points above the population residing in those areas.

Refer to the institution level Service Test section for specific details of other types of alternative delivery systems offered in the MS Non-MSA, 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 MS Non-MSA; 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 AAs, particularly low- and moderate-income geographies and/or individuals. CBM maintains extended drive-up hours Monday through Friday mornings 1 hour to 30 minutes before lobby hours open. The early drive-up hours are available at a significant percentage of branches in the AA.

Over 73 percent of the bank’s locations in the MS Non-MSA operate Monday through Thursday with 9:00 am to 4:30 pm lobby hours and Friday hours of 9:00 am to 5:30 pm for 80 percent of the banks locations.

Community Development Services

The institution provided an adequate level of CD services in the MS Non-MSA. The following table shows the institution provided 127 CD services since the previous evaluation in the MS Non-MSA. Service activities demonstrated adequate responsiveness to CD needs for general financial literacy for students and adults; opportunities for individuals to understand tracking finances and basic banking services and products.

Community Development Services – MS Non-MSA					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2020	3	15	-	3	21
2021	3	40	-	3	46
2022	4	48	1	4	57
2023 (YTD)	-	-	-	3	3
Total	10	103	1	13	127

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

The following lists examples of CD services in the MS Non-MSA:

- **Community Service** – CBM employee served as a board member for a food pantry, which

provides meals for low- and moderate-income individuals within the AA.

- **Community Service** – CBM employees hosted multiple financial literacy classes to students through the AA. All of the schools included in the financial literacy classes were schools where a majority of the students received free or reduced lunch.
- **Community Service** – CBM hosted financial seminars in the MS Non-MSA AA. Upon sitting through the class, participants are given a certificate to come into the bank to meet a lender and obtain a small loan, checking and savings account. The bank tracks the participants and their income to determine that the classes reached majority low- and moderate-income individuals. 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.

OTHER ASSESSMENT AREAS – Limited-Scope Review

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE LIMITED-SCOPE ASSESSMENT AREAS

The following table summarizes the conclusions for this rated area’s assessment areas reviewed using limited-scope examination procedures. Examiners drew 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 bank’s overall performance rating.

Assessment Area	Lending Test	Investment Test	Service Test
Jackson MSA	Below	Below	Consistent
Hattiesburg MSA	Consistent	Consistent	Consistent
Gulfport-Biloxi MSA	Below	Below	Consistent

Facts and data supporting conclusions for each limited-scope assessment area follow, including a summary of CBM’s operations and activities. The demographic data for the limited-scope assessment areas is in Appendix C.

Jackson MSA

The bank’s Jackson MSA area consists of all of Hinds, Madison, and Rankin Counties. CBM operates eight branches in this assessment area with 2 in moderate-income CTs; 2 in middle-income CTs; and 4 in upper-income CTs. The bank originated and engaged in the following activities in the assessment area during the review period.

Activity	#	\$(000s)
Small Business Loans	1,605	88,525
Home Mortgage Loans	977	170,338
Community Development Loans	22	27,592
Investments	120	959
CD Services	148	-

Hattiesburg MSA

The bank's Hattiesburg MSA consists of all of Forrest and Lamar Counties. CBM operates two branches in this assessment area with 1 in moderate-income CT and 1 in a middle-income CT. The bank originated and engaged in the following activities in the assessment area during the review period.

Activity	#	\$(000s)
Small Business Loans	491	23,101
Home Mortgage Loans	316	55,743
Community Development Loans	43	14,965
Investments	19	6,952
CD Services	20	-

Gulfport-Biloxi MSA

The bank's Gulfport-Biloxi MSA consists of all of Hancock, Harrison, and Jackson Counties. CBM operates eight branches in this assessment area with 2 in moderate-income CTs; 3 in middle-income CTs; 2 in upper-income CTs; and 1 in NA-income CT. The bank originated and engaged in the following activities in the assessment area during the review period.

Activity	#	\$(000s)
Small Business Loans	1,127	69,307
Home Mortgage Loans	528	84,554
Community Development Loans	30	53,456
Investments	81	1,316
CD Services	91	-

Geographic Distribution

Home Mortgage Loans

Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2021		
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		
Jackson	977	170,338	49.3	21,737	5.1	3.2	0.8	12.9	8.6	4.3	35.2	29.0	28.0	46.8	59.3	67.0	0.0	0.0	0.0		
Hattiesburg	316	55,743	15.9	5,711	4.5	2.5	1.6	8.6	7.0	4.3	47.0	49.7	43.3	39.9	40.8	50.9	0.0	0.0	0.0		
Gulfport-Biloxi	528	84,554	26.6	16,372	3.6	4.5	1.7	10.8	10.4	8.5	58.2	49.1	52.9	27.4	36.0	36.9	0.0	0.0	0.0		

*Source: 2015 ACS; 01/01/2021 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%.*

Small Business Loans

Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2021		
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts				
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate		
Jackson	1,605	88,525	46.0	16,134	6.3	2.4	5.4	16.7	9.1	14.6	31.9	33.3	32.0	45.0	55.2	48.0	0.1	0.0	0.0		
Hattiesburg	491	23,101	14.1	3,786	10.8	8.6	8.9	7.5	6.3	6.6	50.3	49.3	48.2	31.4	35.8	36.2	0.0	0.0	0.0		
Gulfport-Biloxi	1,127	69,307	32.3	10,050	7.4	5.1	6.9	13.1	9.1	12.1	55.8	52.4	54.7	23.4	32.7	26.0	0.3	0.5	0.2		

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

Borrower Profile

Home Mortgage Loans

Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2021		
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		
Jackson	977	170,338	49.3	21,737	21.7	3.9	4.3	16.2	14.7	13.3	17.9	17.6	18.7	44.2	40.1	41.1	0.0	23.6	22.6		
Hattiesburg	316	55,743	15.9	5,711	24.2	1.6	3.3	14.3	11.7	13.0	19.0	14.6	17.9	42.5	45.9	44.1	0.0	26.3	21.7		
Gulfport-Biloxi	528	84,554	26.6	16,372	23.0	2.5	3.2	16.4	8.3	11.4	19.4	14.2	19.2	41.2	51.3	41.3	0.0	23.7	24.9		

Source: 2015 ACS; 01/01/2021 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available.

Due to rounding, totals may not equal 100.0%

Small Business Loans

Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues												2021	
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available			
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans		
Jackson	1,605	88,525	46.0	16,134	86.8	94.6	35.3	3.8	5.4	9.4	0.0		
Hattiesburg	491	23,101	14.1	3,786	84.5	97.1	41.2	3.9	2.9	11.6	0.0		
Gulfport-Biloxi	1,127	69,307	32.3	10,050	85.6	95.6	42.4	3.0	4.4	11.4	0.0		

Source: 2021 D&B Data; 01/01/2021 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data, "--" data not available.

Due to rounding, totals may not equal 100.0

ALABAMA

CRA RATING FOR ALABAMA: SATISFACTORY

The Lending Test is rated: High Satisfactory

The Investment Test is rated: Needs to Improve

The Service Test is rated: Low Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN ALABAMA

CBM designated three assessment areas in Alabama as noted in the table below. All of the bank's assessment areas in Alabama conform to the CRA regulatory requirements. See the applicable full-scope section for additional information.

Description of Alabama Assessment Areas			
Assessment Area	Counties in Assessment Area	# of CTs	# of Branches
Mobile MSA	Mobile	115	1
Birmingham MSA	Jefferson, Shelby	211	2
Daphne MSA	Baldwin	32	2

Source: Bank Records; 2015 ACS.

SCOPE OF EVALUATION – ALABAMA

Full-Scope Assessment Area

Of the three assessment areas in Alabama, examiners applied full-scope procedures to the Mobile MSA and Birmingham MSA since it generated the largest percentage of the bank's loans, deposits. Examiners applied limited-scope procedures to the Daphne MSA.

Loan Categories Reviewed

Examiners considered the loans granted inside the bank's Alabama assessment areas as reported according to either the HMDA or CRA data collection reporting requirements. The weighting for the specific loan categories considers small business loans to receive greater weight than home mortgage lending, since small business lending produced greater number volumes.

Assessment Area Weighting

The following table shows that the Birmingham MSA generated the largest percentage of loans and Mobile MSA has generated the largest volume of deposits in Alabama. Consequently, examiners weighed records in both the Mobile MSA and Birmingham MSA equally when arriving at applicable conclusions and ratings. Examiners weighed performance in the remaining reviewed area consistent with that area's lending level as reflected in the following table.

Assessment Area Distribution – State of Alabama						
Assessment Area	Loans		Deposits		Branches	
	\$(000s)	%	\$(000s)	%	#	%
Mobile MSA	155,549	34.3	159,768	46.9	1	20.0
Birmingham MSA	205,484	45.2	58,037	17.0	2	40.0
Daphne MSA	93,159	20.5	123,243	36.1	2	40.0
Total	454,192	100.0	341,048	100.0	5	100.0
<i>Source: HMDA & CRA Data (2019-2021); FDIC Summary of Deposits (06/30/2022)</i>						

Investment and Service Tests

The scopes for the Investment and Service Tests remain the same for this rated area as it did for the institution as a whole. Please refer to the institution-level Scope of Evaluation section.

CONCLUSIONS ON PERFORMANCE CRITERIA IN ALABAMA

LENDING TEST

CBM demonstrated a good record in the State of Alabama regarding the Lending Test. Excellent lending levels and community development loans; adequate records regarding borrower profile distribution and geographic distribution; and, use of innovative and flexible lending levels in this rated area primarily support this conclusion. Conclusions regarding the institution’s performance in the State of Alabama were consistent with the conclusions for each assessment area within the rated area.

Lending Activity

Lending levels reflect excellent responsiveness to assessment area credit needs in the State of Alabama. Excellent performance regarding both home mortgage and small business lending support this conclusion. Examiners placed equal weight on the both products taking into account both the number of loans and dollar volume. Examiners considered the bank’s size, business strategy, and capacity in this state relative to its credit needs when arriving at this conclusion.

Home Mortgage Loans

Home mortgage lending levels reflect excellent responsiveness to assessment area credit needs in the State of Alabama. For 2021, the bank originated 5,055 total reportable home mortgage loans totaling approximately \$892.2 million in its Alabama assessment areas. CMB captured a 1.4 percent market share of the total number of home mortgage loans and 1.0 percent market share of the total dollar volume of home mortgage loans in the Alabama AAs.

This volume of activity ranks the bank 17th out of 1403 total lenders in the bank’s Alabama AAs. This ranking lands the bank in the top 1.2 percent of lenders reporting such loans in the bank’s Alabama AAs. The ranking considers the total number and dollar amount of loans made by each institution.

Small Business Loans

Small business lending levels reflect excellent responsiveness to assessment area credit needs in the State of Alabama. For 2021, the bank originated 7,688 total reportable small business loans totaling approximately \$408.1 million inside its Alabama AAs. CBM captured a 5.6 percent market share of the total number of small business loans and a 6.1 percent market share of the total dollar volume of loans.

This volume of activity ranks the bank 2nd out of 272 total lenders in the bank's Alabama AAs. This ranking lands the bank in the top 1 percent of lenders reporting such loans in the bank's Alabama AAs. The ranking considers the total number and dollar amount of loans made by each institution.

Geographic Distribution

The geographic distribution of loans reflects adequate penetration throughout the State of Alabama. Adequate records regarding both small business and home mortgage loans support this conclusion. The bank's performance is generally consistent throughout the assessment areas within the rated area, unless otherwise noted. Examiners placed the most weight on the bank's Mobile MSA and Birmingham MSA.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects adequate penetration throughout the State of Alabama. Adequate performance in all AAs support this conclusion.

Small Business Loans

The geographic distribution of small business loans reflects adequate penetration throughout the State of Alabama. Adequate performances in the Mobile MSA and Birmingham MSA outweigh the underperformance in the Daphne MSA to support this conclusion.

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. Excellent records regarding small business loans outweighed adequate records regarding home mortgage loans to support this conclusion. The bank's performance is generally consistent throughout the assessment areas within the rated area, unless otherwise noted. Examiners placed the most weight on the bank's Mobile MSA and Birmingham MSA.

Home Mortgage Loans

The distribution of borrowers reflects adequate penetration among retail customers of different income levels. Adequate performances throughout the AA support this conclusion.

Small Business Loans

The distribution of borrowers reflects excellent penetration among business customers of different sizes. Excellent performance in the Mobile MSA and Daphne MSA outweigh the good penetration in the Birmingham MSA.

Innovative or Flexible Lending Practices

The institution made use of innovative or flexible lending practices in the State of Alabama. The number and dollar volume of innovative loan products and flexible lending practices supports this conclusion. Examiners considered the dollar volume relative to the institution’s capacity and the credit needs of its assessment areas when arriving at this conclusion. The appendices list the criteria considered under this performance factor.

The table below shows that, since the previous evaluation, the bank originated 441 innovative or flexible loans totaling \$107.1 million in the State of Alabama. This dollar figure equates to 11.6 percent of the bank’s total innovative or flexible loans. Given the bank’s capacity and the needs in the rated area, the level of innovative and flexible loans reflects good responsiveness to the credit needs of the State of Alabama.

Innovative or Flexible Loans State of Alabama												
Assessment Area	SBA		Community Home Improvement Loans		USDA/FHA/VA		FMCC/FNMA/State Housing		MS Home Corp Down Payment Assistance		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Baldwin County, AL	0	0	0	0	31	7,692	110	28,787	0	0	141	36,479
Birmingham MSA	9	2,403	1	3	4	1,080	82	24,061	0	0	96	27,547
Mobile, AL MSA	0	0	0	0	41	7,507	160	35,586	3	12	204	43,105
Total	9	2,403	1	3	76	16,279	352	88,434	3	12	441	107,131

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

Community Development Loans

The institution is a leader in making CD loans in the State of Alabama. Its extent, or dollar volume, of CD loans and the CD loans’ responsiveness support this conclusion. The bank’s performance is consistent at adequate across all AAs. Examiners placed the most weight on the bank’s Mobile MSA and Birmingham MSA.

The following table shows that, since the previous evaluation, the bank granted 31 CD loans totaling approximately \$91.2 million in this state. The dollar amount equates to 26.9 percent of the bank’s overall level of CD loans.

Community Development Loans State of Alabama										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Daphne MSA	-	-	1	4,825	1	1,130	5	46,450	7	52,405
Birmingham MSA	4	2,384	1	1,500	6	10,053	4	10,002	15	23,939
Mobile MSA	2	950	-	-	4	9,793	3	4,090	9	14,833
Total	6	3,334	2	6,325	11	20,975	12	60,542	31	91,176

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

Besides their extent, the CD loans reflect excellent responsiveness to the state’s CD needs. As seen in the table above, 66.4 percent of the dollar volume of the state’s CD loans help revitalize or stabilize low- and moderate-income geographies, while 23.0 percent benefit economic development to support small businesses and low- and moderate-income jobs.

The following points discuss examples of the bank’s CD lending activities in the broader statewide area of Alabama:

- **Economic Development** – The bank refinanced one loan totaling \$2.7 million for an 11 unit shopping center supporting 20 low- or moderate-income jobs. The refinancing will decrease expense pressure for owning and operating the shopping center.
- **Affordable Housing** – The bank originated one loan totaling \$725 thousand to renovate a 9-unit apartment building. The apartment’s rents provide affordable housing for low- and moderate-income families.

INVESTMENT TEST

CBM demonstrated a poor record in the State of Alabama regarding the Investment Test. The poor level of QIs outweighed the adequate responsiveness to CD needs and the occasional use of complex QIs to support this conclusion. The assessment areas in this state generally reflect consistent performance in the Investment Test, with the exception of the Mobile MSA that exceeded overall performance for the state.

Investment and Grant Activity

The bank has a poor level of QIs in the State of Alabama.

The table below shows that CBM made 36 QIs totaling approximately \$1.7 million in the State of Alabama. By dollar volume, this equates to 5.3 percent of the bank’s total QIs as compared to 7.9 percent of total deposits in this rated area. The dollar amount includes QIs in regional areas including the State of Alabama when the dollar amount of investments is readily available within the state.

Qualified Investments - State of Alabama										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Mobile MSA	-	-	8	4	-	-	2	1,020	10	1,024
Birmingham MSA	3	3	13	23	-	-	2	<1	18	26
Daphne MSA	-	-	6	2	-	-	1	1	7	3
Statewide Activities	1	604	-	-	-	-	-	-	1	604
Total	4	607	27	29	-	-	5	1,021	36	1,657

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

Responsiveness to Credit and Community Development Needs

CBM’s CD activities show adequate responsiveness through use of investments that directly address identified needs in the State of Alabama. The previous table shows responsiveness to a wide variety of CD needs by the dollar amount in three of the four CD purpose categories, including a significant dollar volume to affordable housing for low- and moderate-income individuals and revitalize or stabilize efforts for low- and moderate-income geographies.

CBM’s major investments addressed the following needs throughout various AAs in the State of Alabama:

- **Affordable housing** – The bank contributed \$604,080 in an Alabama multi-family consortium with the purpose of making funds available for investments in affordable multi-family housing within the state.

Community Development Initiatives

CBM occasionally use innovative and/or complex investments to support CD initiatives. CBM did not use any innovative QIs.

SERVICE TEST

CBM demonstrated an adequate record for the State of Alabama regarding the Service Test. The adequate level regarding the bank’s CD services, accessibility of its delivery systems, its changes in branch locations, and its reasonableness of business hours and services support this conclusion. The assessment areas in this state generally reflect consistent performance in the Services Test. The appendices list the criteria considered under this test.

Accessibility of Delivery Systems

Delivery systems are accessible to essentially all portions of the bank’s assessment areas in the State of Alabama. Adequate branch distribution and alternative delivery systems support this conclusion. The State of Alabama’s assessment areas reflects generally consistent conclusions to the institution’s Accessibility of Delivery System performance.

Branch Distribution

The following table shows that in low-income census tracts, CBM does not have any branches. The table further shows that in the moderate-income census tracts, the percentage of CBM’s branch distribution falls 1.2 percentage points below the population residing in those areas. The reasonable performance in the moderate-income census tracts outweighs the bank having no branch presence in the low-income census tracts to support this conclusion.

Branch and ATM Distribution by Geography Income Level State of Alabama												
Tract Income Level	Census Tracts		Population		Branches		ATMs		Open Branches		Closed Branches	
	#	%	#	%	#	%	#	%	#	%	#	%
Low	35	8.3	79,530	5.1	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	109	25.8	326,837	21.2	1	20.0	2	25.0	0	0.0	0	0.0
Middle	148	35.0	601,094	38.9	2	40.0	1	12.5	0	0.0	0	0.0
Upper	119	28.1	518,295	33.6	2	40.0	5	62.5	1	100.0	0	0.0
NA	12	2.8	18,565	1.2	0	0.0	0	0.0	0	0.0	0	0.0
Totals	423	100.0	1,544,321	100.0	5	100.0	8	100.0	1	100.0	0	0.0

Source: 2020 U.S. Census & Bank Data. Due to rounding, totals may not equal 100.0%.

Alternative Delivery Systems

The bank makes its alternative delivery systems accessible to essentially all portions of the bank’s assessment areas in the State of Alabama.

As seen in the prior table, none of CBM’s ATMs are located within the low-income census tracts. The table further shows that in moderate-income census tracts, the percentage of CBM’s ATM rises 3.8 percentage points above the population residing in those areas.

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

Changes in Branch Locations

The institution’s record of opening and closing of branches in State of Alabama has generally not adversely affected low- and moderate-income geographies or individuals of geographies. No branch changes occurred in low- and moderate-income tracts in the State of Alabama. One branch opened in an upper-income tract.

Reasonableness of Business Hours and Services

Services, including where appropriate, business hours, do not vary in a way that inconveniences portions of the State of Alabama, particularly low- or moderate-income geographies or individuals.

The State of Alabama reflects product offerings, services, and branch hours consistent with discussion at the institution level.

The bank’s branches have the same product offerings, services, and branch hours. Branch hours are generally Monday through Thursday 8:30 am through 4:30 pm. Branch hours are generally Friday, 8:30 a.m. to 5:00 p.m. Drive-up services are available in two of the branches with hours that mirror the lobby times of availability.

Community Development Services

The institution provides an adequate level of CD services for the State of Alabama. Adequate performances regarding the extent of CD services, the responsiveness of CD services to available opportunities, and changes in branches support this conclusion. The appendices list the criteria considered under this performance factor.

The following table shows that the bank provided 35 CD services since the previous evaluation.

Community Development Services State of Alabama					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
Mobile MSA	-	8	-	-	8
Birmingham MSA	5	6	-	11	22
Daphne MSA	4	1	-	-	5
Total	9	15	-	11	35
<i>Source: Bank Data. Due to rounding, totals may not reconcile.</i>					

The following point describes a CD service the bank provided within the state:

- **Community Services** – A bank employee taught Money Smart to a local group of individuals with income that qualified as low or moderate. The employee used their expertise to aid in delivering the financial program.

Mobile MSA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN MOBILE MSA

The Mobile MSA encompasses all of Mobile County. The AA includes one of the two counties that comprise the Mobile MSA. The institution operates one full-service branch and three ATMs in the Mobile MSA.

Economic and Demographic Data

The 115 tracts in the Mobile MSA reflect the following income designations based on 2015 ACS data: 19 low-, 27 moderate-, 37 middle-, and 30 upper-income tracts and 2 no income tracts. The county received major disaster area designations to include COVID-19 pandemic. The Branch and ATM Distribution table under the services test will represent differing census tracts totals due to the use of 2020 census data to generate that table.

The following table notes certain demographic data for the area.

Demographic Information of the Assessment Area						
Assessment Area: Mobile MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	115	16.5	23.5	32.2	26.1	1.7
Population by Geography	414,251	9.3	18.2	36.5	35.8	0.2
Housing Units by Geography	180,932	9.2	19.3	36.7	34.9	0.0
Owner-Occupied Units by Geography	102,608	5.7	15.0	38.5	40.9	0.0
Occupied Rental Units by Geography	51,580	13.1	24.8	33.4	28.7	0.0
Vacant Units by Geography	26,744	14.9	25.0	36.3	23.8	0.0
Businesses by Geography	29,268	7.1	20.3	31.2	41.2	0.2
Farms by Geography	597	4.0	9.9	42.2	43.9	0.0
Family Distribution by Income Level	103,554	24.0	15.6	19.0	41.4	0.0
Household Distribution by Income Level	154,188	26.5	15.0	15.9	42.5	0.0
Median Family Income MSA - 33660 Mobile, AL MSA		\$54,139	Median Housing Value			\$125,900
			Median Gross Rent			\$781
			Families Below Poverty Level			15.7%

Source: 2015 ACS and 2021 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 2019, 2020, and 2021 median family incomes for the Mobile MSA of \$58,300, \$59,800, and \$61,300, respectively. The following table denotes the income ranges for the low-, moderate-, middle- and upper-income designations.

Median Family Income Ranges – Mobile MSA				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2019 (\$58,300)	<\$29,150	\$29,150 to <\$46,640	\$46,640 to <\$69,960	≥\$69,960
2020 (\$59,800)	<\$29,900	\$29,900 to <\$47,840	\$47,840 to <\$71,760	≥\$71,760
2021 (\$61,300)	<\$30,650	\$30,650 to <\$49,040	\$49,040 to <\$73,560	≥\$73,560
<i>Source: FFIEC</i>				

According to Moody’s Analytics, as of January 2023, major employers throughout the Mobile MSA include University of South Alabama and Medical Facilities, Infirmary Health System, Austal USA, CPSI and AM/NS Calvert. According to the U.S. Bureau of Labor Statistics, as of January 2023, the unemployment rate for the Mobile MSA was 3.0 percent. The MSA’s unemployment rate of 3.0 percent for January 2023 rises above the 2.6 percent rate for the State of Alabama and falls below the U.S. rate of 3.4 percent.

Competition

The Mobile MSA includes 25 financial institutions operating 106 branches throughout the AA. According to June 30, 2022, FDIC Summary of Deposits data, CBM ranked 10th in deposit market share with 1.5 percent of the AA’s deposits. The 2021 peer mortgage data and 2021 peer small business data indicate there are 445 home mortgage loan reporters and 110 small business-reporting lenders in the AA. Overall, the competition level allows for lending opportunities.

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 39.6 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. Mobile 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 approximately 7.6 percent for the state of Alabama. A 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 MOBILE MSA

LENDING TEST

CBM demonstrated an adequate record in the Mobile MSA regarding the Lending Test. Adequate records regarding geographic distribution, borrower profile, and CD lending outweigh the excellent responsiveness for lending activities and good innovative or flexible lending to support this conclusion.

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 261 mortgage loans totaling approximately \$44.4 million in 2021. CBM ranked 28th out of 445 reporting lenders in the Mobile MSA, which positions CBM in the top 7 percent of lenders reporting home mortgage loan in the AA and reflects excellent performance.

Small Business Loans

The institution originated 325 small business loans totaling approximately \$21.5 million. CBM's lending activity ranks 14th out of 110 reporting lenders in the Mobile MSA. This activity positions CBM in the top 13 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 Mobile MSA. 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 Mobile MSA. Adequate performance in the low- and moderate- income geographies supports this conclusion. As seen in the following table, CBM's lending in low-income census tracts rises 0.7 percentage points above aggregate data, reflecting an adequate level. The lending in the moderate-income census tracts rises 7.2 percentage points above aggregate data reflecting adequate performance.

Geographic Distribution of Home Mortgage Loans - AL Mobile MSA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	5.7	1.1	4	1.8	79	0.2
Moderate	15.0	7.4	32	14.6	3,845	10.6
Middle	38.5	35.0	83	37.9	12,239	33.7
Upper	40.9	56.5	100	45.7	20,150	55.5
Not Available	0.0	0.0	0	0.0	0	0.0
Totals	100.0	100.0	219	100.0	36,312	100.0

Source: 2015 ACS; Bank Data, 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.

Small Business Loans

The geographic distribution of small business loans reflects adequate penetration throughout the Mobile MSA. Adequate 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 falls 2.1 percentage points below aggregate data, reflecting adequate performance. For the moderate-income census tracts lending falls 2.0 percentage points below aggregate data, reflecting an adequate level.

Geographic Distribution of Small Business Loans - AL Mobile MSA						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	7.1	6.7	15	4.6	1,113	5.2
Moderate	20.3	18.3	53	16.3	6,304	29.3
Middle	31.2	31.2	97	29.8	5,771	26.8
Upper	41.2	43.8	160	49.2	8,338	38.7
Not Available	0.2	0.0	0	0.0	0	0.0
Totals	100.0	100.0	325	100.0	21,526	100.0

Source: 2021 D&B Data; Bank Data; 2021 CRA Aggregate Data, "--" data not available. 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 customers of different sizes in the Mobile MSA. Excellent performance regarding small business loans combined with adequate performance regarding home mortgage loans supports this conclusion.

Home Mortgage Loans

The distribution of borrowers reflects adequate penetration among retail customers of different sizes in the Mobile MSA. Adequate performance to low- and moderate-income borrowers support this conclusion.

As seen in the following table, CBM’s lending to low-income borrowers falls below aggregate data by 0.5 percent, revealing adequate performance. The table further shows that to moderate-income borrowers, CBM’s lending falls 3.5 percentage points below the aggregate data, reflecting adequate performance. Examiners afforded more weight to performance to low-income borrowers given the greater opportunity to lend in this category as seen in the aggregate data.

Distribution of Home Mortgage Loans by Borrower Income Level - Mobile MSA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	24.0	4.6	9	4.1	766	2.1
Moderate	15.6	15.8	27	12.3	3,502	9.6
Middle	19.0	20.8	29	13.2	3,387	9.3
Upper	41.4	38.6	102	46.6	22,254	61.3
Not Available	0.0	20.2	52	23.7	6,404	17.6
Totals	100.0	100.0	219	100.0	36,312	100.0

Source: 2015 ACS; Bank Data, 2021 HMDA Aggregate Data, "--" data not available. 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 Mobile MSA. Excellent performance to businesses with gross annual revenue of \$1 million or less supports this conclusion. As seen in the following table, CBM’s lending to businesses with gross annual revenue of \$1 million or less rises 14.3 percentage points higher than aggregate data, reflecting excellent performance.

Detailed Distribution of Small Business Loans by Gross Annual Revenues - Mobile MSA					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
< \$100,000	43.6	293	90.2	16,510	76.7
\$100,000 - \$249,999	29.7	8	2.5	2,098	9.7
\$250,000 - \$499,999	6.0	10	3.1	1,594	7.4
\$500,000 - \$1,000,000	3.5	5	1.5	308	1.4
Subtotal <= \$1,000,000	82.7	316	97.2	20,510	95.3
>\$1,000,000	5.2	9	2.8	1,016	4.7
Revenue Not Available	12.1	0	0.0	0	0.0
Total	100.0	325	100.0	21,526	100.0

Source: 2021 D&B Data, Bank Data. Due to rounding, totals may not equal 100.0%.

Innovative or Flexible Lending Practices

The institution makes use of innovative or flexible lending practices in the Mobile MSA in order to serve assessment area credit needs. The number and dollar volume of innovative loan products and flexible lending practices supports this conclusion. Examiners considered the dollar volume relative

to the institution’s capacity and the credit needs of the assessment area when arriving at this conclusion. Please refer to the discussion under the State of Alabama for additional details regarding the innovative or flexible lending practices in the Mobile MSA.

Community Development Loans

The institution made an adequate level of CD loans in the Mobiles MSA. As seen in the following table, CBM originated 9 CD loans totaling approximately \$14.8 million in the Mobile MSA. By dollar, this equates to 4.4 percent of the institution’s total CD loans compared to 4.9 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 – Mobile MSA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2020	-	-	-	-	2	3,750	2	2,596	4	6,346
2021	1	350	-	-	-	-	-	-	1	350
2022	1	600	-	-	2	6,043	-	-	3	6,643
2023 (YTD)	-	-	-	-	-	-	1	1,494	1	1,494
Total	2	950	-	-	4	9,793	3	4,090	9	14,833

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

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

- **Economic Development** - The institution originated a \$3.6 million loan to purchase and renovate an 82-room hotel, and rebrand it into a Holiday Inn Express. The hotel employees 20 staff members with the majority of the staff receiving low- and moderate-incomes supported by the business. The purchase and renovation of the hotel helped to retain the jobs with this business.
- **Revitalization and Stabilization** – The bank provided a loan of 1.4 million for the purchase of a commercial building in a moderate-income census tract located within the AA. The commercial building houses an existing building that supports jobs in the area. This purchase helps to revitalize and stabilize the local area and thus retain and attract new businesses and residents.

INVESTMENT TEST

CBM demonstrated an adequate record in the Mobile MSA regarding the Investment Test. An adequate level of QIs and adequate responsiveness to CD needs supports this conclusion. CBM occasionally used 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 Mobile MSA. As seen in the following table, CBM made 10 QIs and grants totaling approximately \$1.0 million in the Mobile MSA. By dollar volume, this equates to 3.3 percent of the institution’s total QIs as compared to the 3.7 percent of the bank’s total deposits in this AA, which reflects a fair share contribution to the institution’s overall adequate level.

Qualified Investments – Mobile MSA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	-	-	-	-	-	-	1	1,019	1	1,019
2020 (Partial)	-	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-	-
2023 (YTD)	-	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	1	1,019	1	1,019
Grants & Donations	-	-	8	4	-	-	1	1	9	5
Total	-	-	8	4	-	-	2	1,020	10	1,024
<i>Source: Bank Data. Due to rounding, totals may not reconcile.</i>										

The following lists examples of QIs in the Mobile MSA:

- **Revitalize or Stabilize** – CBM invested \$1.0 million in a bond for a school district in the AA that has a majority of the students receiving free or reduced lunch. The bond is used to support the upkeep and expansion of buildings in the school district. These funds will help to revitalize and stabilize the facilities that these low- and moderate-income students utilize daily.

Responsiveness to Credit and Community Development Needs

CBM exhibits adequate responsiveness to credit and CD needs in the Mobile MSA. The table in the prior section primarily shows responsiveness to address the revitalize and stabilize needs of the Mobile MSA, but also shows slight responsiveness to another CD need with qualified activities among two of the three categories.

Community Development Initiatives

CBM does not use complex and/or innovative investments to support CD initiatives in the Mobile MSA.

SERVICE TEST

CBM demonstrated an adequate record in the Mobile MSA regarding the Service Test. An adequate level of CD services, reasonableness of services and hours, and reasonably accessible delivery systems primarily support this conclusion.

Accessibility of Delivery Systems

Delivery systems are reasonably accessible to essentially all portions of the Mobile MSA. 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 CBM’s branches rises 74.3 percentage points above the population residing in those areas, which reflects an adequate level.

Branch and ATM Distribution – Mobile MS												
Tract Income Level	Census Tracts		Population		Branches		ATMs		Opened Branches		Closed Branches	
	#	%	#	%	#	%	#	%	#	%	#	%
Low	9	6.7	13,893	3.3	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	42	31.1	106,688	25.7	1	100.0	2	66.7	0	0.0	0	0.0
Middle	48	35.6	172,513	41.6	0	0.0	0	0.0	0	0.0	0	0.0
Upper	33	24.4	118,405	28.5	0	0.0	1	33.3	0	0.0	0	0.0
NA	3	2.2	3,310	0.8	0	0.0	0	0.0	0	0.0	0	0.0
Totals	135	100.0	414,809	100.0	1	100.0	3	100.0	0	0.0	0	100.0

Source: 2020 U.S. Census & Bank Data. Due to rounding, totals may not equal 100.0.

Alternative Delivery Systems

The institution’s ATMs and alternative delivery systems are reasonably accessible throughout the AA. The table shows that in moderate-income census tracts, the percentage of CBM’s ATMs rises 33.3 percentage points above the population residing in those areas, which reflects an adequate level.

Refer to the institution-level Service Test section for specific details of other types of alternative delivery systems offered in the Mobile MSA, 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 Mobile MSA; therefore,

examiners did not evaluate this criterion for this AA.

Reasonableness of Business Hours and Services

Reasonableness in services at the bank branch is adequate. Due to the bank only have one branch in the AA; there is no variation of hours to compare. In relation to the bank as a whole, the lobby hours do not vary much from the rest of the bank with lobby hours from 8:30 am to 4:30 pm Monday through Thursday. The lobby hours are extended by 30 minutes to close at 5:00 pm on Fridays. Services do not vary in a way that inconveniences portions of the AA, particularly moderate-income geographies and/or low- and moderate-income individuals.

Community Development Services

The institution provides an adequate level of CD services in the Mobile MSA. The following table shows the institution provided 8 CD services since the previous evaluation in the Mobile MSA. Service activities demonstrate responsiveness to CD needs for general financial literacy for students and adult as well as opportunities for individuals to understand basic banking principals.

Community Development Services – Mobile MSA AA					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2020	-	4	-	-	4
2021	-	2	-	-	2
2022	-	2	-	-	2
2023 (YTD)	-	-	-	-	-
Total	-	8	-	-	8

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

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

- **Community Service** – CBM hosted financial seminars in the Mobile MSA. Upon sitting through the class, participants are given a certificate to come into the bank to meet a lender and obtain a small loan, checking and savings account. The bank tracks the participants and their income to determine that the classes reached majority low- and moderate-income individuals. 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.

Birmingham MSA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN BIRMINGHAM MSA

The Birmingham MSA encompasses the following counties: Jefferson and Shelby. The AA includes two of six counties that comprise the Birmingham MSA. The institution operates two full-service branches and two ATMs in the Birmingham MSA.

Economic and Demographic Data

The 211 tracts in the Birmingham MSA reflect the following income designations based on 2015 ACS data: 31 low-, 52 moderate-, 57 middle-, and 69 upper-income tracts and 2 tracts with no income designation. Some counties received a major disaster designation and all counties received a disaster designation in 2020 due to the COVID-19 pandemic. The Branch and ATM Distribution table under the services test will represent differing census tracts totals due to the use of 2020 census data to generate that table.

The following table notes certain demographic data for the AA.

Demographic Information of the Assessment Area						
Assessment Area: CBOM AL Birmingham MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	211	14.7	24.6	27.0	32.7	0.9
Population by Geography	862,556	11.0	21.1	27.7	39.6	0.6
Housing Units by Geography	386,605	12.7	23.1	27.4	36.4	0.4
Owner-Occupied Units by Geography	224,482	6.4	18.0	29.9	45.6	0.0
Occupied Rental Units by Geography	111,981	20.7	29.2	23.7	25.4	1.1
Vacant Units by Geography	50,142	22.6	32.5	24.3	20.1	0.6
Businesses by Geography	70,772	8.1	20.0	25.0	45.3	1.5
Farms by Geography	1,437	4.2	14.1	25.7	55.4	0.7
Family Distribution by Income Level	220,532	23.0	15.0	17.6	44.4	0.0
Household Distribution by Income Level	336,463	25.1	15.1	15.8	44.0	0.0
Median Family Income MSA - 13820 Birmingham-Hoover, AL MSA		\$63,259	Median Housing Value			\$172,247
			Median Gross Rent			\$829
			Families Below Poverty Level			12.7%

*Source: 2015 ACS and 2021 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 2019, 2020 and 2021 median family incomes for the Birmingham MSA of \$69,000, \$71,100 and \$73,300, respectively. The following table denotes the income ranges for the low-, moderate-, middle- and upper-income designations.

Median Family Income Ranges – Birmingham MSA				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2019 (\$69,000)	<\$34,500	\$34,500 to <\$55,200	\$55,200 to <\$82,800	≥\$82,800
2020 (\$71,100)	<\$35,550	\$35,550 to <\$56,880	\$56,880 to <\$85,320	≥\$85,320
2021 (\$73,300)	<\$36,650	\$36,650 to <\$58,640	\$58,640 to <\$87,960	≥\$87,960
<i>Source: FFIEC</i>				

According to Moody’s Analytics, as of January 2023, major employers throughout the Birmingham MSA include University of Alabama Birmingham, Brookwood Baptist Health, MassMutual Financial Group, and Honda Manufacturing. According to the U.S. Bureau of Labor Statistics, as of January 2023, the Birmingham MSA reported an unemployment rate of 2.5 percent. The MSA’s unemployment rate of 2.5 percent for January 2023 falls below the 2.6 percent rate for the State of Alabama and the U.S. rate of 3.4 percent.

Competition

The Birmingham MSA includes 39 financial institutions operating 237 branches throughout the AA. According to June 30, 2022, FDIC Summary of Deposits data, CBM ranked 30th in deposit market share with 0.12 percent of the AA’s deposits. The 2021 peer mortgage data and 2021 peer small business data indicate there are 684 home mortgage loan reporters and 271 small business-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 38.0 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, 39.3 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 9.3 percent for the Birmingham MSA. A 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 BIRMINGHAM MSA

LENDING TEST

CBM demonstrated an adequate record in the Birmingham MSA regarding the Lending Test. Adequate geographic distribution, borrower profile, and CD lending outweigh the excellent lending levels and good record of innovative or flexible lending to support this conclusion.

Lending Activity

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

Home Mortgage Loans

The institution originated 95 mortgage loans totaling approximately \$30.6 million in 2021. CBM's volume of home mortgage lending activity ranks 102nd out of 684 reporting home mortgage lenders in the Birmingham MSA, which positions CBM in the top 15 percent of lenders reporting home mortgage loans in the AA and reflects good performance.

Small Business Loans

The institution originated 7,585 small business loans totaling approximately \$396.3 million in 2021. CBM's volume of activity ranks 2nd out of 271 reporting lenders in the Birmingham MSA. This activity positions CBM in the top 1 percent of lenders reporting small business loans in the AA, reflecting excellent performance.

Geographic Distribution

The geographic distribution of loans reflects adequate penetration throughout the Birmingham MSA. Adequate performance regarding home mortgage and small business loans support this conclusion.

Home Mortgage Loans

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

As seen in the following table, CBM's lending in low-income census tracts falls 1.9 percentage points below aggregate, reflecting adequate performance. The institution's lending performance in moderate-income census tracts also trails aggregate data by 4.6 percentage points, reflecting adequate performance.

Geographic Distribution of Home Mortgage Loans - Birmingham MSA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	6.4	1.9	0	0.0	0	0.0
Moderate	18.0	9.4	4	4.8	714	2.7
Middle	29.9	26.8	14	16.7	2,469	9.2
Upper	45.6	61.9	66	78.6	23,543	88.1
Not Available	0.1	0.0	0	0.0	0	0.0
Totals	100.0	100.0	84	100.0	26,726	100.0

Source: 2015 ACS; Bank Data, 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.

Small Business Loans

The geographic distribution of small business loans reflects adequate penetration throughout the Birmingham MSA. Adequate 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 trails aggregate by 2.0 percentage points, exhibiting adequate performance. CBM's lending in moderate-income census tracts trails aggregate by 7.5 percentage points, also reflecting adequate performance.

Geographic Distribution of Small Business Loans - Birmingham MSA						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	8.1	7.7	11	5.7	1,105	6.9
Moderate	20.0	17.3	19	9.8	2,064	12.9
Middle	25.0	23.7	34	17.5	2,766	17.2
Upper	45.3	50.4	130	67.0	10,115	63.0
Not Available	1.5	0.9	0	0.0	0	0.0
Totals	100.0	100.0	194	100.0	16,050	100.0

Source: 2021 D&B Data; Bank Data; 2021 CRA Aggregate Data, "--" data not available. 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 Birmingham MSA. Adequate performance regarding home mortgage lending outweighed the good performance regarding small business lending to support this conclusion.

Home Mortgage Loans

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

As seen in the following table, CBM’s lending to low-income borrower’s falls 4.3 percentage points below aggregate data, revealing adequate performance. The table further shows that to moderate-income borrowers, CBM’s lending falls 6.4 percentage points below the aggregate data, reflecting adequate performance.

Distribution of Home Mortgage Loans by Borrower Income Level - Birmingham MSA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	23.1	5.5	1	1.2	65	0.2
Moderate	15.0	15.9	8	9.5	1,411	5.3
Middle	17.6	19.4	13	15.5	2,296	8.6
Upper	44.4	41.1	52	61.9	15,632	58.5
Not available	0.0	18.1	10	11.9	7,322	27.4
Totals	100.0	100.0	84	100.0	26,726	100.0

Source: 2015 ACS; Bank Data, 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.

Small Business Loans

The distribution of borrowers reflects good penetration among business customers of different sizes in the Birmingham MSA. Good performance to businesses with gross annual revenue of \$1 million or less supports this conclusion. As seen in the following table, CBM’s lending to businesses with gross annual revenue of \$1 million or less rises 10.0 percentage points higher than aggregate data, reflecting good performance.

Detailed Distribution of Small Business Loans by Gross Annual Revenues - Birmingham MSA					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
< \$100,000	50.4	173	89.2	11,241	70.0
\$100,000 - \$249,999	23.5	1	0.5	863	5.4
\$250,000 - \$499,999	6.0	2	1.0	325	2.0
\$500,000 - \$1,000,000	3.5	4	2.1	594	3.7
Subtotal <= \$1,000,000	83.3	180	92.8	13,023	81.0
>\$1,000,000	5.7	14	7.2	3,027	18.9
Revenue Not Available	11.0	0	0.0	0	0.0
Total	100.0	194	100.0	16,050	100.0

Source: 2021 D&B Data, Bank Data. Due to rounding, totals may not equal 100.0%.

Innovative or Flexible Lending Practices

The institution makes use of innovative or flexible lending practices in the Birmingham MSA in order to serve assessment area credit needs. The number and dollar volume of innovative loan products and flexible lending practices supports this conclusion. Examiners considered the dollar volume relative to the institution’s capacity and the credit needs of the assessment area when

arriving at this conclusion. Please refer to the discussion under the State of Alabama for additional details regarding the innovative or flexible lending practices in the Birmingham MSA.

Community Development Loans

The institution made an adequate volume of CD loans in the Birmingham MSA. The adequate level of loans and responsiveness to CD needs in this AA support this conclusion.

As seen in the following table, CBM originated 15 CD loans totaling approximately \$23.9 million in the Birmingham MSA. By dollar, this equates to 7.1 percent of the institution’s total CD loans and reflects adequate performance considering its fair share contribution to the overall excellent level of CD loans.

Community Development Lending – Birmingham MSA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2019 (Partial)	-	-	-	-	2	2,205	-	-	2	2,205
2020	1	250	-	-	3	6,148	1	3,495	5	9,893
2021	-	-	-	-	-	-	2	3,032	2	3,032
2022	3	2,134	1	1,500	1	1,700	1	3,475	6	8,809
2023 (YTD)	-	-	-	-	-	-	-	-	-	-
Total	4	2,384	1	1,500	6	10,053	4	10,002	15	23,939

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

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

- **Revitalize/Stabilize** – The institution originated a loan totaling \$1.8 million for the purchase of an existing office building that was in distress in a moderate-income census tract. The purchase of the building allowed the current tenant to stay in the building and continue operating its business. The loan in this case helped to stabilize the economy and jobs in the area.
- **Economic Development** – The institution originated a loan totaling \$1.8 million to a business that specializes in the sale and leasing of portable office buildings. The business employs at least five low- and moderate-income employees to support this small business.

CBM’s CD loans reflect good responsiveness to the CD needs of the AA. As seen in the prior table, CB M engaged in CD activities in all categories, but most notably within economic development and revitalize or stabilize.

INVESTMENT TEST

CBM demonstrated a poor record in the Birmingham MSA regarding the Investment Test. A poor level of QIs and adequate responsiveness to CD needs support this conclusion.

Investment and Grant Activity

The institution has a poor level of qualified community investments and grants, not in a leadership position, particularly those that are not routinely provided by private investors, in the Birmingham MSA. As seen in the following table, CBM made 18 QIs totaling approximately \$26,000 in the Birmingham MSA. By dollar volume, this equates to 0.1 percent of the institution’s total QIs and reflects a less than fair contribution the institution’s overall adequate level.

Qualified Investments – Birmingham MSA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	-	-	-	-	-	-	-	-	-	-
2020 (Partial)	-	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-	-
2023 (YTD)	-	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-	-
Grants & Donations	3	3	13	23	-	-	2	<1	18	26
Total	3	3	13	23	-	-	2	<1	18	26

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

The following lists examples of QIs in the Birmingham MSA:

- **Community Service** – The bank donated \$4,650 to a scholarship fund that is set up to provide scholarships to students with significant financial need and challenging circumstances to attend a local collage.
- **Community Service** – The bank donated \$2,000 to a community food bank that provides food to multiple food pantries, shelters, and children’s program within the AA. The individuals benefited by the food pantry are low- and moderate-income individuals within the AA.

Responsiveness to Credit and Community Development Needs

CBM exhibits adequate responsiveness to credit and CD needs in the Birmingham MSA. The prior tables show responsiveness based on CBM’s investments by dollar amount primarily supporting CD

purposes for community service.

Community Development Initiatives

CBM did not use innovative or complex QIs, which remains consistent with that discussed previously for the institution as a whole.

SERVICE TEST

CBM demonstrated an adequate record in the Birmingham MSA regarding the Service Test. A relatively high level of CD services, and adequate reasonably accessible delivery systems, and changes in branches support this conclusion.

Accessibility of Delivery Systems

Delivery systems prove limited accessible to all portions of the Birmingham MSA. Poor records for the branch distribution outweighed the alternative delivery systems to support this conclusion.

Branch Distribution

The following table shows that the bank did not have any branches in the low- and moderate-income census tracts. Performance in both areas reflects a poor record.

Branch and ATM Distribution – Birmingham MSA												
Tract Income Level	Census Tracts		Population		Branches		ATMs		Opened Branches		Closed Branches	
	#	%	#	%	#	%	#	%	#	%	#	%
Low	26	10.7	65,637	7.3	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	58	23.8	179,414	20.0	0	0.0	0	0.0	0	0.0	0	0.0
Middle	76	31.1	294,183	32.8	0	0.0	0	0.0	0	0.0	0	0.0
Upper	77	31.6	344,970	38.4	2	100.0	2	100.0	1	100.0	0	0.0
NA	7	2.9	13,541	1.5	0	0.0	0	0.0	0	0.0	0	0.0
Totals	244	100.0	897,745	100.0	2	100.0	2	100.0	1	100.0	0	100.0

Source: 2020 U.S. Census & Bank Data; Due to rounding, totals may not equal 100.0.

Alternative Delivery Systems

The institution’s ATMs and alternative delivery systems are reasonably accessible throughout the AA. As seen in the prior table, the bank did not have any ATMs in the low- to moderate-income census tracts.

Refer to the institution level Service Test section for specific details of other types of alternative delivery systems offered in the Birmingham MSA, 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 Birmingham MSA 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.

CBM opened one branch in the upper-income census tract in the Birmingham MSA during the evaluation period. No branches were closed since the last evaluation. 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. Both of the bank’s locations in the Birmingham MSA operate with 8:30 am to 4:30 pm Monday through Thursday lobby hours. On Friday, the lobby closes 30 minutes later at 5:00 pm. The branches at this location have drive-up service with hours that mirror the lobby hours

Community Development Services

The institution provided a good record of CD services in the Birmingham MSA. The following table shows the institution provided 22 CD services since the previous evaluation in the Birmingham MSA. Service activities demonstrate good responsiveness to CD needs for general financial literacy for student and adults to understand finances and basic banking principals.

Community Development Services – Birmingham MSA					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2020	-	-	-	-	-
2021	-	-	-	-	-
2022	5	6	-	11	22
2023 (YTD)	-	-	-	-	-
Total	5	6	-	11	22

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

The following lists examples of CD services in the Birmingham MSA:

- **Community Service** – CBM hosted financial seminars in the Birmingham MSA. Upon sitting through the class, participants are given a certificate to come into the bank to meet a lender and obtain a small loan, checking and savings account. The bank tracks the participants and their income to determine that the classes reached majority low- and moderate-income individuals. 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.

- **Community Service** – CBM hosted several Senior Fraud Prevention workshops with residents in a certain development owned and operated by the Jefferson County Housing Authority located within the Birmingham MSA. The presentations focused on helping senior citizens protection themselves financially. A majority of attendees of the class were low- or moderate-income due to the income requirements to live in the development.

OTHER ASSESSMENT AREAS – Limited-Scope Review

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE LIMITED-SCOPE ASSESSMENT AREAS

The following table summarizes the conclusions for the Daphne MSA, 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

Assessment Area	Lending Test	Investment Test	Service Test
Daphne MSA	Consistent	Consistent	Consistent

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

Daphne MSA

Refer to the institution-level section and the appendix for a complete description of the AA. CBM operates 2 branches in this AA: 2 in middle-income census tracts. The institution originated and engaged in the following activities in the AA during the evaluation period.

Activity	#	\$(000s)
Small Business Loans	230	12,383
Home Mortgage Loans	145	40,456
Community Development Loans	7	52,405
Investments	7	3
CD Services	5	-
<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																			2021
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
Daphne	145	40,456	7.3	19,211	0.0	0.0	0.0	14.9	13.1	15.7	65.0	49.7	57.4	20.1	37.2	26.9	0.0	0.0	0.0

Source: 2015 ACS; 01/01/2021 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available.

Due to rounding, totals may not equal 100.0%

Small Business Loans

Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2021
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Daphne	230	12,383	6.6	7,888	0.0	0.0	0.0	19.2	3.0	16.8	59.6	70.0	57.5	21.2	27.0	25.7	0.0	0.0	0.0

Source: 2021 D&B Data; 01/01/2021 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data, "--" data not available.

Due to rounding, totals may not equal 100.0%

Borrower Profile

Home Mortgage Loans

Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																		2021	
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
Daphne	145	40,456	7.3	19.211	20.6	1.4	5.3	17.7	9.0	14.5	20.9	16.6	19.2	40.9	49.7	42.1	0.0	23.4	18.9

Source: 2015 ACS ; 01/01/2021 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

Small Business Loans

Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2021	
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
Daphne	230	12,383	6.6	7,888	86.5	95.2	41.3	3.8	4.8	9.7	0.0	

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

FLORIDA

CRA RATING FOR FLORIDA: NEEDS TO IMPROVE

The Lending Test is rated: Low Satisfactory

The Investment Test is rated: Needs to Improve

The Service Test is rated: Needs to Improve

DESCRIPTION OF INSTITUTION'S OPERATIONS IN FLORIDA

CBM designated three assessment areas in Florida as noted in the table below. All of the bank's assessment areas in Florida conform to the CRA regulatory requirements. See the applicable full-scope section for additional information.

Description of Florida Assessment Areas			
Assessment Area	Counties in Assessment Area	# of CTs	# of Branches
Destin MSA	Okaloosa, Walton	55	3
Panama City MSA	Bay	44	2
Pensacola MSA	Escambia	72	1

Source: Bank Records; 2015 ACS.

SCOPE OF EVALUATION – FLORIDA

Full-Scope Assessment Area

Of the three assessment areas in Florida, examiners applied full-scope procedures to the Destin MSA since it generated the largest percentage of the bank's loans, deposits, and offices. Examiners also applied full-scope procedures to the Panama City MSA due to the area not receiving a full-scope review within the past two performance evaluations. Examiners applied limited-scope procedures to the remaining AA.

Loan Categories Reviewed

Examiners considered the loans granted inside the bank's Florida AAs as reported according to either the HMDA or CRA data collection reporting requirements. The weighting for the specific loan categories considers home mortgage loans to receive greater weight than small business lending, since home mortgage lending produced greater dollar volumes.

Assessment Area Weighting

The following table shows that the Destin MSA generated the largest percentage of the bank's Florida loans, deposits, and branches. Consequently, examiners weighed records in the Destin MSA heaviest when arriving at applicable conclusions and ratings. Examiners weighed performance in each reviewed area consistent with that area's lending level as reflected in the following table.

Assessment Area Distribution – State of Florida						
Assessment Area	Loans		Deposits		Branches	
	\$(000s)	%	\$(000s)	%	#	%
Destin MSA	175,291	57.4	319,568	63.1	3	50.0
Panama City MSA	109,968	36.0	182,744	36.1	2	33.3
Pensacola MSA	20,181	6.6	3,992	0.8	1	16.7
Total	305,440	100.0	506,304	100.0	6	100.0

Source: HMDA & CRA Data (2019-2021); FDIC Summary of Deposits (06/30/2022)

Investment and Service Tests

The scopes for the Investment and Service Tests remain the same for this rated area as it did for the institution as a whole. Please refer to the institution-level Scope of Evaluation section.

CONCLUSIONS ON PERFORMANCE CRITERIA IN FLORIDA

LENDING TEST

CBM demonstrated adequate performance in the State of Florida regarding the Lending Test. Good responsiveness regarding lending activities and community development lending; and adequate records regarding geographic distribution, borrower profile loan distribution and innovative or flexible lending levels in this rated area primarily support this conclusion. Conclusions regarding the institution’s performance in the State of Florida were generally consistent across the AAs within the rated areas.

Lending Activity

Lending levels reflect excellent responsiveness to assessment area credit needs in the State of Florida. Excellent performance regarding both home mortgage and small business support this conclusion. Examiners placed equal weight on the both products taking into account both the number of loans and dollar volume. Examiners considered the bank’s size, business strategy, and capacity in this state relative to its credit needs when arriving at this conclusion.

Home Mortgage Loans

Home mortgage lending levels reflect excellent responsiveness to assessment area credit needs in the State of Florida. For 2021, the bank originated 302 total reportable home mortgage loans totaling approximately \$104.1 million in its Florida AAs. CMB captured a 0.3 percent market share of the total number of home mortgage loans and 0.4 percent market share of the total dollar volume of home mortgage loans in the Florida AAs.

This volume of activity ranks the bank 67th out of 1,146 total lenders in the bank’s Florida AAs. This ranking lands the bank in the top 5.8 percent of lenders reporting such loans in the bank’s Florida AAs. The ranking considers the total number and dollar amount of loans made by each institution.

Small Business Loans

Small business lending levels reflect excellent responsiveness to assessment area credit needs in the State of Florida. For 2021, the bank originated 508 total reportable small business loans totaling approximately \$42.2 million inside its Florida AAs. CBM captured a 2.1 percent market share of the total number of small business loans and a 3.9 percent market share of the total dollar volume of loans.

This volume of activity ranks the bank 17th out of 174 total lenders in the bank's Florida AAs. This ranking lands the bank in the top 10 percent of lenders reporting such loans in the bank's Florida AAs. The ranking considers the total number and dollar amount of loans made by each institution.

Geographic Distribution

The geographic distribution of loans reflects adequate penetration throughout the State of Florida. Adequate records regarding both small business and home mortgage loans support this conclusion. The bank's performance is generally consistent throughout the assessment areas within the rated area, unless otherwise noted. Examiners placed the most weight on the bank's Destin MSA and Panama City MSA.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects adequate penetration throughout the State of Florida. Adequate performances in all AAs support this conclusion.

Small Business Loans

The geographic distribution of small business loans reflects adequate penetration throughout the State of Florida. Adequate performances in all assessment areas outweighed the below consistent performance in Pensacola MSA to support this conclusion.

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. Adequate records regarding the home mortgage lending outweighed the excellent record of small business lending in the Destin MSA and the good record in the Panama City MSA to support this conclusion. Examiners placed the most weight on the bank's Destin MSA.

Home Mortgage Loans

The distribution of borrowers reflects adequate penetration among retail customers of different income levels. Adequate performances throughout the AA support this conclusion.

Small Business Loans

The distribution of borrowers reflects excellent penetration among business customers of different sizes. Excellent performance in the Destin MSA outweigh the good performance in the Panama City MSA and Pensacola MSA to support this conclusion.

Innovative or Flexible Lending Practices

The institution made limited use of innovative or flexible lending practices in the State of Florida. The number and dollar volume of innovative loan products and flexible lending practices supports this conclusion. Examiners considered the dollar volume relative to the institution’s capacity and the credit needs of its assessment areas when arriving at this conclusion. The appendices list the criteria considered under this performance factor.

The table below shows that, since the previous evaluation, the bank originated 188 innovative or flexible loans totaling \$55.7 million in the State of Florida. This dollar figure equates to 6.0 percent of the bank’s total innovative or flexible loans. Given the bank’s capacity and the needs in the rated area, the level of innovative and flexible loans reflects adequate responsiveness to the credit needs of the State of Florida.

Innovative or Flexible Loans State of Florida												
Assessment Area	SBA		Community Home Improvement Loans		USDA/FHA/VA		FMCC/FNMA/State Housing		MS Home Corp Down Payment Assistance		Totals	
	#	\$(000)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Destin MSA	10	2,142	0	0	10	2,536	83	29,287	0	0	103	33,965
Panama City, FL	3	440	0	0	7	1,805	59	15,523	0	0	69	17,768
Pensacola, FL	3	875	0	0	0	0	13	3,123	1	4	17	4,002
Total	16	3,457	0	0	17	4,341	155	47,933	1	4	189	55,735

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

Community Development Loans

The institution made a relatively high level of CD loans in the State of Florida. Its extent, or dollar volume, of CD loans and the CD loans’ responsiveness support this conclusion. The bank’s performance is varied throughout the assessment areas. Examiners placed the most weight on the bank’s Destin MSA.

The following table shows that, since the previous evaluation, the bank granted 13 CD loans totaling approximately \$20.6 million in this state. The dollar amount equates to 6.1 percent of the bank’s overall level of CD loans.

Community Development Loans State of Florida										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Destin	2	262	-	-	3	3,892	1	2,000	6	6,154
Panama City MSA	1	780	-	-	2	6,500	1	1,500	4	8,780
Pensacola MSA	-	-	1	1,100	1	1,500	1	3,051	3	5,651
Total	3	1,042	1	1,100	5	11,892	3	6,551	13	20,585

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

Besides their extent, the CD loans reflect good responsiveness to the state’s CD needs. As seen in the table above, 57.8 percent of the dollar volume of the state’s CD loans assisted economic development, while 31.8 percent of the loans help revitalize or stabilize low- and moderate-income geographies.

The following points discuss examples of the bank’s CD lending activities in the broader statewide area of Florida:

- **Economic Development** – The bank originated one loan totaling \$1.6 million for the purchase of an empty building that will be renovated into a restaurant that will employ up to 40 people with several of the positions being low- or moderate-income jobs. This loan helps to spur small business development and support the development of LMI jobs.
- **Affordable Housing** – The bank originated one loan totaling \$780 thousand to purchase a nine unit apartment complex with rents set to accommodate low- and moderate-income renters.

INVESTMENT TEST

CBM demonstrated a poor record in the State of Florida regarding the Investment Test. The poor level of QIs outweighed the adequate responsiveness to CD needs and the occasional use of complex QIs to support this conclusion. The assessment areas in this state generally reflect consistent performance in the Investment Test, with the exception of the Pensacola MSA that exceeded overall performance for the state

Investment and Grant Activity

The bank has a poor level of QIs in the State of Florida.

The table below shows that CBM 26 QIs and grants totaling approximately \$886,000 in the State of Florida. By dollar volume, this equates to 2.9 percent of the bank’s total QIs as compared to 11.8 percent of total deposits in this rated area. The dollar amount includes QIs in regional areas including the State of Florida when the dollar amount of investments is readily available within the state.

Qualified Investments State of Florida										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Destin	1	3	6	7	1	2	1	8	9	20
Panama City	-	-	8	8	1	2	2	1	11	11
Pensacola	-	-	2	2	1	1	-	-	3	3
Statewide Activities	2	602	1	250	-	-	-	-	3	852
Total	3	605	17	267	3	5	3	9	26	886

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

Responsiveness to Credit and Community Development Needs

CBM’s CD activities show adequate responsiveness through use of investments that directly address identified needs in the State of Florida. The previous table shows responsiveness to some of the CD needs by the dollar amount to all four CD purpose categories, including adequate volume to affordable housing for low- and moderate-income.

CBM’s major investment addressed the following needs throughout various AAs in the State of Florida:

- **Affordable Housing** – The bank invested \$423,568 in a Guaranteed Mortgage Backed Securities in the state consisting of loans made to low- or moderate-income families. Purchasing these investments support the purchase of LMI loans from small to midsized banks thus freeing up their cash allowing the financial institutions to make more LMI loans.

Community Development Initiatives

CBM occasionally use innovative and/or complex investments to support CD initiatives. CBM did not use any innovative QIs.

SERVICE TEST

CBM demonstrated a poor record for the State of Florida regarding the Service Test. The poor level regarding the bank’s CD services outweighed the reasonable accessibility of its delivery systems, its changes in branch locations, and its reasonableness of business hours and services to support this conclusion. While the Destin and Pensacola MSAs reflect consistent performance regarding the Service Test, the Panama City MSA performance is above the state level. The appendices list the criteria considered under this test.

Accessibility of Delivery Systems

Delivery systems are reasonably accessible to essentially all portions of the bank’s assessment areas in the State of Florida. Adequate branch distribution and alternative delivery systems support this conclusion. The State of Florida’s assessment areas reflects generally consistent conclusions to the

institution's Accessibility of Delivery System performance.

Branch Distribution

The following table shows that in low-income census tracts, CBM does not have any branches. The table further shows that in the moderate-income census tracts, the percentage of CBM's branch distribution falls 7.9 percentage points below the population residing in those areas. The reasonable performance in the moderate-income census tracts outweighs the bank having no branch presence in the low-income census tracts to support this conclusion.

Branch and ATM Distribution by Geography Income Level State of Florida												
Tract Income Level	Census Tracts		Population		Branches		ATMs		Open Branches		Closed Branches	
	#	%	#	%	#	%	#	%	#	%	#	%
Low	12	6.0	34,569	4.4	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	49	24.6	192,518	24.6	1	16.7	1	20.0	0	0.0	0	0.0
Middle	85	42.7	360,381	46.0	4	66.7	4	80.0	1	100.0	0	0.0
Upper	48	24.1	196,626	25.1	1	16.7	0	0.0	0	0.0	0	0.0
NA	5	2.5	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Totals	199	100.0	784,094	100.0	6	100.0	5	100.0	1	100.0	0	0.0

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

Alternative Delivery Systems

The bank makes its alternative delivery systems accessible to essentially all portions of the bank's assessment areas in the State of Florida.

As seen in the prior table, none of CBM's ATMs are located within the low-income census tracts. The table further shows that in moderate-income census tracts, the percentage of CBM's ATMs falls 4.6 percentage points below the population residing in those areas.

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

Changes in Branch Locations

The institution's record of opening and closing of branches in State of Florida has generally not adversely affected low- and moderate-income geographies or individuals of geographies. No branch changes occurred in low- and moderate-income tracts in the State of Florida. One branch opened in a middle-income tract.

Reasonableness of Business Hours and Services

Services, including where appropriate, business hours, do not vary in a way that inconveniences portions of the State of Florida, particularly low- or moderate-income geographies or individuals. The State of Florida reflects product offerings, services, and branch hours consistent with discussion at the institution level.

The bank’s branches have the same product offerings, services, and branch hours. Branch hours are generally Monday through Thursday 8:30 am through 4:30 pm. Branch hours on Friday are generally, 8:30 a.m. to 5:00 p.m. The bank does not have drive-up services for any of its branches in the Florida rated area.

Community Development Services

The institution provides a poor level of CD services for the State of Florida. The limited level of CD services and poor performances regarding the extent of CD services and the responsiveness of CD services to available opportunities support this conclusion. The appendices list the criteria considered under this performance factor.

The following table shows that the bank provided 13 CD services since the previous evaluation, which indicates poor performance.

Community Development Services State of Florida					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
Destin MSA	1	2	1	-	4
Panama City MSA	1	5	1	-	7
Pensacola MSA	1	-	1	-	2
Total	3	7	3	-	13

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

The following point describes a CD service the bank provided within the state:

- ***Economic Development*** – A bank employee presented a workshop on “Starting a Business.” After the class, the bank followed up with one-on-one consulting for the attendees. The majority of the attendees at the meeting were new small businesses. This activity helps to support the development of small businesses within the state and support the growth of low- and moderate-income jobs.

Destin MSA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN DESTIN MSA

The Destin MSA encompasses all of Okaloosa and Walton Counties. The AA includes the two counties that comprise the Destin MSA. The institution operates three full-service branches and three ATMs in the Destin MSA.

Economic and Demographic Data

The 55 tracts in the Destin MSA reflect the following income designations based on 2015 ACS data: 9 moderate-, 31 middle-, 12 upper-, 3 NA-income tracts. The AA received several major disaster area designations to include the COVID-19 pandemic. The Branch and ATM Distribution table under the services test will represent differing census tracts totals due to the use of 2020 census data to generate that table.

The following table notes certain demographic data for the area.

Demographic Information of the Assessment Area						
Assessment Area: CBOM FL Destin MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	55	0.0	16.4	56.4	21.8	5.5
Population by Geography	251,724	0.0	14.8	63.3	21.8	0.0
Housing Units by Geography	141,156	0.0	12.6	53.5	33.9	0.0
Owner-Occupied Units by Geography	64,419	0.0	12.2	62.3	25.5	0.0
Occupied Rental Units by Geography	33,955	0.0	17.4	63.3	19.4	0.0
Vacant Units by Geography	42,782	0.0	9.3	32.6	58.1	0.0
Businesses by Geography	52,280	0.0	10.1	53.2	36.7	0.0
Farms by Geography	1,389	0.0	15.2	62.7	22.1	0.0
Family Distribution by Income Level	64,717	20.3	17.9	21.5	40.3	0.0
Household Distribution by Income Level	98,374	22.8	17.5	18.1	41.6	0.0
Median Family Income MSA - 18880 Crestview-Fort Walton Beach-Destin, FL MSA		\$63,539	Median Housing Value			\$224,687
			Median Gross Rent			\$1,065
			Families Below Poverty Level			10.4%

*Source: 2015 ACS and 2021 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 2019, 2020 and 2021 median family incomes for the Destin MSA of \$75,600, \$78,900 and \$79,200, respectively. The following table denotes the income ranges for the low-, moderate-, middle- and upper-income designations.

Median Family Income Ranges – Destin MSA				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2019 (\$75,600)	<\$37,800	\$37,800 to <\$60,480	\$60,480 to <\$90,720	≥\$90,720
2020 (\$78,900)	<\$39,450	\$39,450 to <\$63,120	\$63,120 to <\$94,680	≥\$94,680
2021 (\$79,200)	<\$39,600	\$39,600 to <\$63,360	\$63,360 to <\$95,040	≥\$95,040
<i>Source: FFIEC</i>				

According to Moody’s Analytics, as of January 2023, major employers throughout the Destin MSA include Fort Walton Beach Medical Center, Walmart Inc., Publix, Lockheed Martin, Northwest Florida State College, and Reliance Test & technology. According to the U.S. Bureau of Labor Statistics, as of January 2023, the unemployment rate for the Destin MSA was 2.1 percent. The MSA’s unemployment rate of 2.1 percent for January 2023 falls below the 2.6 percent rate for the State of Florida and the U.S. rate of 3.4 percent.

Competition

The Destin MSA includes 24 financial institutions operating 89 branches throughout the AA. According to June 30, 2022, FDIC Summary of Deposits data, CBM ranked ninth in deposit market share with 3.7 percent of the AA’s deposits. The 2021 peer mortgage data and 2021 peer small business data indicate there are 945 home mortgage loan reporters and 137 small business-reporting lenders in the AA. Overall, the competition level allows for lending opportunities.

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 38.2 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.

The 2019 FDIC Survey of Household Use of Banking and Financial Services noted that the unbanked rate for all households in the state of Florida was at 3.8 percent. This level of unbanked would put Florida as the 15th lowest state for unbanked citizens, which is good performance.

CONCLUSIONS ON PERFORMANCE CRITERIA IN DESTIN MSA

LENDING TEST

CBM demonstrated an adequate record in the Destin MSA regarding the Lending Test. Adequate records regarding geographic distribution, borrower profile, CD lending, and innovative or flexible lending support this conclusion. CBM 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 and small business loans support this conclusion.

Home Mortgage Loans

The institution originated 142 mortgage loans totaling approximately \$56.0 million in 2021. CBM ranked 58th out of 945 reporting lenders in the Destin MSA, which positions CBM in the top 7 percent of lenders reporting home mortgage loan in the AA and reflects excellent performance.

Small Business Loans

The institution originated 346 small business loans totaling approximately \$28.3 million. CBM's lending activity ranks 10th out of 137 reporting lenders in the Destin MSA. This activity positions CBM in the top 8 percent of lenders reporting small business loans in the AA, reflecting excellent performance.

Geographic Distribution

The geographic distribution of loans reflects adequate penetration throughout the Destin MSA. 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 Destin MSA. Adequate performance in moderate-income geographies supports this conclusion. As seen in the following table, CBM's lending in moderate-income census tracts falls 4.7 percentage points below aggregate data, reflecting an adequate level.

Geographic Distribution of Home Mortgage Loans - Destin MSA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	0.0	0.0	0	0.0	0	0.0
Moderate	12.2	5.5	1	0.8	199	0.4
Middle	62.3	59.4	43	36.4	13,106	28.7
Upper	25.5	35.1	74	62.7	32,350	70.9
Not Available	0.0	0.0	0	0.0	0	0.0
Totals	100.0	100.0	118	100.0	45,656	100.0

Source: 2015 ACS; Bank Data, 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%

Small Business Loans

The geographic distribution of small business loans reflects adequate penetration throughout the Destin MSA. 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 2.3 percentage points below aggregate data, reflecting an adequate level.

Geographic Distribution of Small Business Loans - Destin MSA						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	0.0	0.0	0	0.0	0	0.0
Moderate	10.1	9.2	24	6.9	2,225	7.9
Middle	53.2	49.2	162	46.8	11,764	41.5
Upper	36.7	41.6	160	46.2	14,353	50.6
Not Available	0.0	0.0	0	0.0	0	0.0
Totals	100.0	100.0	346	100.0	28,342	100.0

Source: 2021 D&B Data; Bank Data; 2021 CRA Aggregate Data, "--" data not available. 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 Destin MSA. Excellent performance regarding small business loans combined with adequate performance regarding home mortgage loans supports this conclusion.

Home Mortgage Loans

The distribution of borrowers reflects adequate penetration among retail customers of different sizes in the Destin MSA. Adequate performance to the low- and moderate-income borrowers support this conclusion.

As seen in the following table, CBM’s lending to low-income borrowers trails aggregate data by 1.9

percent, revealing adequate performance. The table further shows that to moderate-income borrowers, CBM’s lending falls 7.4 percentage points below the aggregate data, reflecting adequate performance. Examiners afforded more weight to performance to low-income borrowers given the greater opportunity to lend in this category as seen in the aggregate data.

Distribution of Home Mortgage Loans by Borrower Income Level - Destin MSA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	20.3	3.6	2	1.7	435	1.0
Moderate	17.9	12.5	6	5.1	1,093	2.4
Middle	21.5	15.9	19	16.1	4,540	9.9
Upper	40.3	41.5	65	55.1	29,439	64.5
Not Available	0.0	26.5	26	22.0	10,149	22.2
Totals	100.0	100.0	118	100.0	45,656	100.0

Source: 2015 ACS; Bank Data, 2021 HMDA Aggregate Data, "--" data not available. 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 Destin MSA. Excellent performance to businesses with gross annual revenue of \$1 million or less supports this conclusion. As seen in the following table, CBM’s lending to businesses with gross annual revenue of \$1 million or less rises 6.6 percentage points higher than aggregate data, reflecting excellent performance.

Detailed Distribution of Small Business Loans by Gross Annual Revenues - Destin MSA					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
< \$100,000	69.8	328	94.8	23,585	83.2
\$100,000 - \$249,999	17.1	6	1.7	690	2.4
\$250,000 - \$499,999	3.8	8	2.3	2,903	10.2
\$500,000 - \$1,000,000	1.8	1	0.3	250	0.9
Subtotal <= \$1,000,000	92.4	343	99.1	27,428	96.7
>\$1,000,000	1.8	3	0.9	914	3.2
Revenue Not Available	5.8	0	0.0	0	0.0
Total	100.0	346	100.0	28,342	100.0

Source: 2021 D&B Data, Bank Data. Due to rounding, totals may not equal 100.0%.

Innovative or Flexible Lending Practices

The institution makes limited use of innovative or flexible lending practices in the Destin MSA in order to serve assessment area credit needs. The number and dollar volume of innovative loan products and flexible lending practices supports this conclusion. Examiners considered the dollar volume relative to the institution’s capacity and the credit needs of the assessment area when

arriving at this conclusion. Please refer to the discussion under the State of Florida for additional details regarding the innovative or flexible lending practices in the Destin MSA.

Community Development Loans

The institution made an adequate level of CD loans in the Destin MSA. As seen in the following table, CBM originated 6 CD loans totaling approximately \$6.2 million in the Destin MSA. By dollar, this equates to 1.8 percent of the institution’s total CD loans compared to 5.5 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 – Destin MSA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2020	-	-	-	-	2	2,212	-	-	2	2,212
2021	2	262	-	-	1	1,680	1	2,000	4	3,942
2022	-	-	-	-	-	-	-	-	-	-
2023 (YTD)	-	-	-	-	-	-	-	-	-	-
Total	2	262	-	-	3	3,892	1	2,000	6	6,154

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

The following points provide examples of CD loans in the Destin MSA:

- **Revitalize or Stabilize** – The institution originated a loan totaling nearly \$2.0 million for the construction of an event venue and dock in a moderate-income census tract within the AA. The new facilities will help to attract additional business and residents to the area thus revitalize and stabilizing the area.
- **Revitalize or Stabilize** – The bank originated two loans totaling \$262,000 for the construction of single-family homes for low- and moderate-income individuals within the area. The homes help to provide additional affordable housing supply during a time when housing inventory is limited across all income groups.

CBM’s CD loans reflect adequate responsiveness to the CD needs of the AA. The bank made CD loans to three of the four CD categories available.

INVESTMENT TEST

CBM demonstrated a poor record in the Destin MSA regarding the Investment Test. A poor level of QIs and poor responsiveness to CD needs supports this conclusion. CBM did not use complex or innovative investments in this AA.

Investment and Grant Activity

The institution has a poor level of qualified community investments and grants, not in a leadership position, particularly those that are not routinely provided by private investors in the Destin MSA. As seen in the following table, CBM made 9 QIs and grants totaling approximately \$20,000 in the Destin MSA. By dollar volume, this equates to 0.1 percent of the institution’s total QIs as compared to the 7.4 percent of the bank’s total deposits in this AA, which reflects a slightly less than fair share contribution to the institution’s overall adequate level.

Qualified Investments – Destin MSA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	-	-	-	-	-	-	-	-	-	-
2020 (Partial)	-	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-	-
2023 (YTD)	-	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-	-
Grants & Donations	1	3	6	7	1	2	1	8	9	20
Total	1	3	6	7	1	2	1	8	9	20

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

The following lists examples of QIs in the Destin MSA:

- **Community Service** - CBM donated \$5,000 to help fund a small business grant program. The program targets small businesses who were impacted by the stay-at-home order. The city allocated \$75,000 from the business tax receipts and requested matching donations from the community to increase the fund to assist small businesses through the COVID period.

Responsiveness to Credit and Community Development Needs

CBM exhibits poor responsiveness to credit and CD needs in the Destin MSA. The table in the prior section primarily shows responsiveness to revitalizing and stabilization of low- and moderate-income census tracts of the Destin MSA.

Community Development Initiatives

CBM does not use complex and/or innovative investments to support CD initiatives in the Destin MSA.

SERVICE TEST

CBM demonstrated a poor record in the Destin MSA regarding the Service Test. A poor 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 Destin MSA. 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 CBM’s branches rises 13 percentage points above the population residing in those areas, which reflects an adequate level.

Branch and ATM Distribution – Destin MSA												
Tract Income Level	Census Tracts		Population		Branches		ATMs		Opened Branches		Closed Branches	
	#	%	#	%	#	%	#	%	#	%	#	%
Low	4	5.7	11,175	3.9	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	13	18.6	58,273	20.3	1	33.3	1	33.3	0	0.0	0	0.0
Middle	30	42.9	130,876	45.6	2	66.7	2	66.7	0	0.0	0	0.0
Upper	20	28.6	86,649	30.2	0	0.0	0	0.0	0	0.0	0	0.0
NA	3	4.3	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Totals	70	100.0	286,973	100.0	3	100.0	3	100.0	0	0.0	0	100.0

Source: 2020 U.S. Census & Bank Data. Due to rounding, totals may not equal 100.0.

Alternative Delivery Systems

The institution’s ATMs and alternative delivery systems are reasonably accessible throughout the AA. The table shows that in moderate-income census tracts, the percentage of CBM’s ATMs rises 13 percentage points above the population residing in those areas, which reflects an adequate level.

Refer to the institution-level Service Test section for specific details of other types of alternative delivery systems offered in the Destin MSA, 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 Destin MSA; 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 AAs, particularly low- and moderate-income geographies and/or individuals. All three of the bank’s locations in the Destin MSA operate with 8:30 am to 4:30 pm Monday through Thursday lobby hours. On Friday, the lobby closes 30 minutes later at 5:00 pm. The branches at this location do not have drive-up service.

Community Development Services

The institution provides a limited level of CD services in the Destin MSA. The following table shows the institution provided 4 CD services since the previous evaluation in the Destin MSA, thereby reflecting a poor level. Service activities demonstrate responsiveness to CD needs for general financial literacy for adults, and small business owners, as well as opportunities for individuals to understand tracking finances and ways to improve their personal financial position.

Community Development Services – Destin MSA					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2020	-	-	-	-	-
2021	-	-	-	-	-
2022	1	2	1	-	4
2023 (YTD)	-	-	-	-	-
Total	1	2	1	-	4

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

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

- **Community Service** – CBM hosted financial seminars in the Destin MSA. Upon sitting through the class, participants are given a certificate to come into the bank to meet a lender and obtain a small loan, checking and savings account. The bank tracks the participants and their income to determine that the classes reached majority low- and moderate-income individuals. 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.

Panama City MSA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN PANAMA CITY MSA

The Panama City MSA encompasses all of Bay County. The AA includes the only county that comprises the Panama City MSA. The institution operates two full-service branches and one ATM in the Panama City MSA.

Economic and Demographic Data

The 44 tracts in the Panama City MSA reflect the following income designations based on 2015 ACS data: 2 low-, 9 moderate-, 22 middle-, 10 upper-, and 1 NA-income tracts. There were several major disaster area designations since the last performance examination to include the COVID-19 pandemic. The Branch and ATM Distribution table under the services test will represent differing census tracts totals due to the use of 2020 census data to generate that table.

The following table notes certain demographic data for the area.

Demographic Information of the Assessment Area						
Assessment Area: Panama City MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	44	4.5	20.5	50.0	22.7	2.3
Population by Geography	175,353	3.6	16.7	52.2	27.5	0.0
Housing Units by Geography	100,109	3.2	15.6	54.2	26.9	0.0
Owner-Occupied Units by Geography	41,737	2.5	13.3	52.4	31.8	0.0
Occupied Rental Units by Geography	26,185	5.3	22.7	50.6	21.5	0.0
Vacant Units by Geography	32,187	2.5	12.9	59.5	25.1	0.0
Businesses by Geography	30,540	3.2	16.8	54.0	25.9	0.0
Farms by Geography	821	2.8	13.4	56.3	27.5	0.0
Family Distribution by Income Level	43,485	21.1	17.7	19.9	41.3	0.0
Household Distribution by Income Level	67,922	22.4	16.7	19.1	41.8	0.0
Median Family Income MSA - 37460 Panama City, FL MSA		\$57,635	Median Housing Value			\$160,962
			Median Gross Rent			\$958
			Families Below Poverty Level			10.7%
<i>Source: 2015 ACS and 2021 D&B Data. Due to rounding, totals may not equal 100.0%.</i>						
<i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The FFIEC reported 2019, 2020, and 2021 median family incomes for the Panama City MSA of \$64,300, \$72,000, and \$67,200, respectively. The following table denotes the income ranges for the low-, moderate-, middle- and upper-income designations.

Median Family Income Ranges – Panama City MSA				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2019 (\$64,300)	<\$32,150	\$32,150 to <\$51,440	\$51,440 to <\$77,160	≥\$77,160
2020 (\$72,000)	<\$36,000	\$36,000 to <\$57,600	\$57,600 to <\$86,400	≥\$86,400
2021 (\$67,200)	<\$33,600	\$33,600 to <\$53,760	\$53,760 to <\$80,640	≥\$80,640
<i>Source: FFIEC</i>				

According to Moody’s Analytics, as of January 2023, major employers throughout the Panama City MSA include Naval Support Activity – Panama City, Tyndall Air Force Base, General Dynamics IT, Easter Shipbuilding Inc. and, Walmart Inc. According to the U.S. Bureau of Labor Statistics, as

of January 2023, the unemployment rate for the Panama City MSA was 1.8 percent. The MSA's unemployment rate of 1.8 percent for January 2023 falls below the 2.6 percent rate for the State of Florida the U.S. rate of 3.4 percent.

Competition

The Panama City MSA includes 18 financial institutions operating 51 branches throughout the AA. According to June 30, 2022, FDIC Summary of Deposits data, CBM ranked 10th in deposit market share with 4.0 percent of the AA's deposits. The 2021 peer mortgage data and 2021 peer small business data indicate there are 726 home mortgage loan reporters and 106 small business reporting lenders in the AA. Overall, the competition level allows for lending opportunities.

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 38.8 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. Bay County was designated as a disaster area during the evaluation period and 25 percent of the census tracts being low- and moderate-income 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 in the state of Florida was at 3.8 percent. This level of unbanked would put Florida as the 15th lowest state for unbanked citizens, which is good performance.

CONCLUSIONS ON PERFORMANCE CRITERIA IN PANAMA CITY MSA

LENDING TEST

CBM demonstrated an adequate record in the Panama City MSA regarding the Lending Test. Adequate records regarding geographic distribution, borrower profile, and innovative and flexible lending support this conclusion. CBM also demonstrated an excellent record regarding lending activity and CD lending.

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 141 mortgage loans totaling approximately \$42.3 million in 2021. CBM ranked 34th out of 726 reporting lenders in the Panama City MSA, which positions CBM in the top 5 percent of lenders reporting home mortgage loan in the AA and reflects excellent performance.

Small Business Loans

The institution originated 124 small business loans totaling approximately \$8.6 million. CBM's lending activity ranks 16th out of 106 reporting lenders in the Panama City MSA. This activity positions CBM 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 Panama City MSA. 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 Panama City MSA. Adequate performance in low- and moderate-income geographies supports this conclusion. As seen in the following table, CBM's lending in low-income census tracts falls 0.2 percentage points below aggregate data and falls 1.1 percentage points below aggregate for moderate-income census tracts reflecting an adequate level.

Geographic Distribution of Home Mortgage Loans - Panama City MSA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	2.5	1.1	1	0.9	92	0.3
Moderate	13.3	7.1	7	6.0	2,469	7.0
Middle	52.4	57.5	76	65.0	22,588	64.0
Upper	31.8	34.3	33	28.2	10,156	28.8
Not Available	0.0	0.0	0	0.0	0	0.0
Totals	100.0	100.0	117	100.0	35,305	100.0

Source: 2015 ACS; Bank Data, 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.

Small Business Loans

The geographic distribution of small business loans reflects adequate penetration throughout the Panama City MSA. Adequate performance in the low- and moderate-income geographies supports this conclusion. As seen in the following table, the institution's lending in low-income census tracts

falls 1.0 percentage points below aggregate. For the moderate-income census tracts, performance exceeds aggregate by 2.1 percentage points above aggregate data to support performance.

Geographic Distribution of Small Business Loans - Panama City MSA						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	3.2	2.6	2	1.6	88	1.0
Moderate	16.8	15.6	22	17.7	1,889	22.1
Middle	54.0	53.5	63	50.8	3,884	45.3
Upper	25.9	28.4	37	29.8	2,704	31.6
Not Available	0.0	0.0	0	0.0	0	0.0
Totals	100.0	100.0	124	100.0	8,565	100.0

Source: 2021 D&B Data; Bank Data; 2021 CRA Aggregate Data, "--" data not available. 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 Panama City MSA. Excellent performance regarding small business loans combined with adequate performance regarding home mortgage loans supports this conclusion.

Home Mortgage Loans

The distribution of borrowers reflects adequate penetration among retail customers of different sizes in the Panama City MSA. Adequate performance to the low- and moderate-income borrowers support this conclusion.

As seen in the following table, CBM’s lending to low-income borrowers falls 1.6 percentage points below aggregate data, revealing adequate performance. The table further shows that to moderate-income borrowers, CBM’s lending falls 7.8 percentage points below the aggregate data, reflecting poor performance. Examiners afforded more weight to performance to low-income borrowers given the greater opportunity to lend in this category as seen in the aggregate data.

Distribution of Home Mortgage Loans by Borrower Income Level - Panama City MSA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	21.1	3.3	2	1.7	142	0.4
Moderate	17.7	11.2	4	3.4	634	1.8
Middle	19.9	17.4	10	8.5	2,028	5.7
Upper	41.3	44.3	86	73.5	26,546	75.2
Not Available	0.0	23.8	15	12.8	5,955	16.9
Totals	100.0	100.0	117	100.0	35,305	100.0

Source: 2015 ACS; Bank Data, 2021 HMDA Aggregate Data, "--" data not available. 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 Panama City MSA. Excellent performance to businesses with gross annual revenue of \$1 million or less supports this conclusion. As seen in the following table, CBM's lending to businesses with gross annual revenue of \$1 million or less rises 4.5 percentage points higher than aggregate data, reflecting excellent performance.

Detailed Distribution of Small Business Loans by Gross Annual Revenues - Panama City MSA					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
< \$100,000	68.5	117	94.4	6,595	77.0
\$100,000 - \$249,999	17.2	1	0.8	84	1.0
\$250,000 - \$499,999	3.9	0	0.0	0	0.0
\$500,000 - \$1,000,000	1.9	1	0.8	266	3.1
Subtotal <= \$1,000,000	91.5	119	96.0	6,945	81.1
>\$1,000,000	2.1	5	4.0	1,620	18.9
Revenue Not Available	6.4	0	0.0	0	0.0
Total	100.0	124	100.0	8,565	100.0

Source: 2021 D&B Data, Bank Data. Due to rounding, totals may not equal 100.0%.

Innovative or Flexible Lending Practices

The institution makes limited use of innovative or flexible lending practices in the Panama City MSA in order to serve assessment area credit needs. The number and dollar volume of innovative loan products and flexible lending practices supports this conclusion. Examiners considered the dollar volume relative to the institution's capacity and the credit needs of the assessment area when arriving at this conclusion. Please refer to the discussion under the State of Florida for additional details regarding the innovative or flexible lending practices in the Panama City MSA.

Community Development Loans

The institution made an excellent level of CD loans in the Panama City MSA. As seen in the following table, CBM originated 4 CD loans totaling approximately \$8.7 million in the Panama City MSA. By dollar, this equates to 2.6 percent of the institution's total CD loans compared to 3.5 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 – Panama City MSA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2020	-	-	-	-	1	4,000	-	-	1	4,000
2021	1	780	-	-	-	-	-	-	1	780
2022	-	-	-	-	1	2,500	1	1,500	2	4,000
2023 (YTD)	-	-	-	-	-	-	-	-	-	-
Total	1	780	-	-	2	6,500	1	1,500	4	8,780

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

The following point provides an example of a CD loan in the Panama City MSA:

- **Revitalize or Stabilize** - The institution originated a loan totaling \$1.5 million for the construction of a new retail beach store. The construction is located in an area where the federal government issued a disaster declaration. The new construction and business will help to revitalize and stabilize the census tract after the extreme weather event that caused extensive damage.

CBM’s CD loans reflect adequate responsiveness to the CD needs of the AA. The bank made CD loans to three of the four CD categories available.

INVESTMENT TEST

CBM demonstrated a poor record in the Panama City MSA regarding the Investment Test. A poor level QIs and adequate responsiveness to CD needs supports this conclusion. CBM did not use complex or innovative investments in this AA.

Investment and Grant Activity

The institution has a poor level of qualified community investments and grants, not in a leadership position, particularly those that are not routinely provided by private investors in the Panama City MSA. As seen in the following table, CBM made 11 QIs totaling approximately \$10,000 in the Panama City MSA. By dollar volume, this equates to 0.03 percent of the institution’s total QIs as compared to the 4.3 percent of the bank’s total deposits in this AA, which reflects a less than fair share contribution towards the institution’s overall satisfactory level.

Qualified Investments – Panama City MSA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	-	-	-	-	-	-	-	-	-	-
2020 (Partial)	-	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-	-
2023 (YTD)	-	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-	-
Grants & Donations	-	-	8	8	1	2	2	1	11	11
Total	-	-	8	8	1	2	2	1	11	11

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

The following lists examples of QIs in the Panama City MSA:

- **Economic Development** - CBM donated over \$1,667 to a small business development center. The donations were specifically used for a “Starting a Business” workshop that took place at the center. After the class, the attendees follow up a one-on-one with a banker/mentor to further aid in the development of their small business.

Responsiveness to Credit and Community Development Needs

CBM exhibits adequate responsiveness to credit and CD needs in the Panama City MSA. The table in the prior section primarily shows responsiveness to address the community service needs of the Panama City MSA, but also shows responsiveness to a variety of CD needs with qualified activities among three categories.

Community Development Initiatives

CBM does not use complex and/or innovative investments to support CD initiatives in the Panama City MSA.

SERVICE TEST

CBM demonstrated an adequate record in the Panama City MSA regarding the Service Test. An adequate level of CD services and limited accessible delivery systems primarily support this conclusion.

Accessibility of Delivery Systems

Delivery systems prove limited accessible to all portions of the Panama City MSA. Poor records for the branch distribution outweighed the adequate alternative delivery systems to support this conclusion.

Branch Distribution

The following table shows that the bank did not have any branches in the low- and moderate-income census tracts. Performance in both areas reflects a poor record.

Branch and ATM Distribution – Panama City MSA												
Tract Income Level	Census Tracts		Population		Branches		ATMs		Opened Branches		Closed Branches	
	#	%	#	%	#	%	#	%	#	%	#	%
Low	1	2.0	3,952	2.3	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	12	24.0	39,455	22.5	0	0.0	0	0.0	0	0.0	0	0.0
Middle	24	48.0	86,329	49.3	1	50.0	1	100.0	0	0.0	0	0.0
Upper	12	24.0	45,480	26.0	1	50.0	0	0.0	0	0.0	0	0.0
NA	1	2.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Totals	50	100.0	175,216	100.0	2	100.0	1	100.0	0	0.0	0	100.0

Source: 2020 U.S. Census & Bank Data, Due to rounding, totals may not equal 100.0.

Alternative Delivery Systems

The institution’s ATMs and alternative delivery systems are reasonably accessible throughout the AA. As seen in the prior table, the bank did not have any ATMs in the low- to moderate-income census tracts.

Refer to the institution level Service Test section for specific details of other types of alternative delivery systems offered in the Panama City MSA, 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 Panama City MSA; 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 AAs, particularly low- and moderate-income geographies and/or individuals. Both of the bank’s locations in the Panama City MSA operate with 8:30 am to 4:30 pm Monday through Thursday lobby hours. On Friday, the lobby closes 30 minutes later at 5:00 pm. The branches at this location do not have drive-up service.

Community Development Services

The institution provides an adequate level of CD services in the Panama City MSA. The following table shows the institution provided 7 CD services since the previous evaluation in the Panama City MSA. Service activities demonstrate responsiveness to CD needs for general financial literacy for adults as well as opportunities for individuals to understand tracking finances and ways to improve personal financials.

Community Development Services – Panama City MSA					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2020	-	1	-	-	1
2021	-	-	-	-	-
2022	1	4	1	-	6
2023 (YTD)	-	-	-	-	-
Total	1	5	1	-	7

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

The following lists an example of CD services in the Panama City MSA:

- **Affordable Housing** – A CBM bank employees participates in the finance committee for the local Habitat for Humanity and provides financial expertise by helping the organization determine its budget and offer advice on other financial matters.
- **Community Service** – CBM hosted financial seminars in the Panama City MSA AA. Upon sitting through the class, participants are given a certificate to come into the bank to meet a lender and obtain a small loan, checking and savings account. The bank tracks the participants and their income to determine that the classes reached majority low- and moderate-income individuals. 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.

OTHER ASSESSMENT AREAS – Limited-Scope Review

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE LIMITED-SCOPE ASSESSMENT AREAS

The following table summarizes the conclusions for the Pensacola MSA, 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.

Assessment Area	Lending Test	Investment Test	Service Test
Pensacola MSA	Consistent	Exceeds	Consistent

Facts and data supporting conclusions for the Pensacola MSA follow, including a summary of CBM's operations and activities. The appendix contains demographic data and deposit market share information for the AA.

Pensacola MSA

Refer to the institution-level section and the appendix for a complete description of the AA. CBM operates one branch in this AA located in a middle-income census tract. The institution originated and engaged in the following activities in the AA during the evaluation period.

Activity	#	\$(000s)
Small Business Loans	38	5,257
Home Mortgage Loans	17	5,549
Community Development Loans	3	5,651
Investments	3	3
CD Services	2	-
<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																			2021
	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
Assessment Area:	#	\$	% 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
Pensacola	17	5,549	0.9	16,298	2.6	0.0	0.8	20.4	17.6	13.7	53.8	23.5	51.2	23.1	58.8	34.3	0.0	0.0	0.0

Source: 2015 ACS; 01/01/2021 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

Small Business Loans

Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2021
	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
Assessment Area:	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Pensacola	38	5,257	1.1	7,851	3.3	2.6	3.4	25.8	13.2	25.7	50.9	52.6	50.3	20.0	31.6	20.5	0.0	0.0	0.0

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

Borrower Profile

Home Mortgage Loans

Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																	2021		
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
Pensacola	17	5,549	0.9	16,298	20.3	0.0	5.8	20.5	5.9	16.7	22.7	11.8	19.4	36.5	47.1	31.5	0.0	35.3	26.6

Source: 2015 ACS ; 01/01/2021 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available.
 Due to rounding, totals may not equal 100.0%

Small Business Loans

Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2021	
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
Pensacola	38	5,257	1.1	7,851	91.1	94.7	42.5	2.5	5.3	6.4	0.0	

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

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 and innovativeness; and
- 5) The bank's use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of low- and moderate-income individuals or geographies.

Investment Test

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

- 1) The dollar amount of qualified investments;
- 2) The innovativeness or complexity of qualified investments;
- 3) The responsiveness of qualified investments to available opportunities; and

- 4) The degree to which qualified investments are not routinely provided by private investors.

Service Test

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

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

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

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

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

SCOPE OF EVALUATION

Community Bank of Mississippi	
Scope of Examination: Full-scope reviews were performed on following AAs: <ul style="list-style-type: none">• Combined MS Non-MSA• Mobile MSA• Birmingham MSA• Destin MSA• Panama City MSA	
Time Period Reviewed:	12/2/2019 to 2/28/2023
Products Reviewed: Home Mortgage Loans: 2019, 2020 and 2021 CRA Data (Small Business): 2019, 2020, 2021 Qualified Community Development Loans: From 12/2/2019 to 2/28/2023 Qualified Community Development Investments: From Inception to 2/28/2023 Qualified Community Development Donations/Grants: From 12/2/2019 to 2/28/2023 Qualified Community Development Services: From 12/2/2019 to 2/28/2023	

SUMMARY OF RATINGS FOR RATED AREAS

Rated Area	Lending Test	Investment Test	Service Test	Rating
Memphis Multi-State MSA	Low Satisfactory	Low Satisfactory	High Satisfactory	Satisfactory
Mississippi	Outstanding	Low Satisfactory	Low Satisfactory	Satisfactory
Alabama	High Satisfactory	Needs to Improve	Low Satisfactory	Satisfactory
Florida	Low Satisfactory	Needs to Improve	Needs to Improve	Needs to Improve

DESCRIPTION OF LIMITED-SCOPE ASSESSMENT AREAS

Mississippi

Jackson MSA

The Jackson MSA consists of all of Hinds, Madison, and Rankin Counties. Demographic data for this AA is included in the following table.

Demographic Information of the Assessment Area						
Assessment Area: Jackson MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	112	14.3	25.0	27.7	32.1	0.9
Population by Geography	492,837	9.6	18.3	33.4	37.6	0.9
Housing Units by Geography	202,176	10.0	19.0	34.3	36.7	0.0
Owner-Occupied Units by Geography	119,320	5.1	12.9	35.2	46.8	0.0
Occupied Rental Units by Geography	60,349	15.8	27.7	34.7	21.7	0.0
Vacant Units by Geography	22,507	20.8	27.7	28.6	22.7	0.1
Businesses by Geography	51,398	6.3	16.7	31.9	45.0	0.1
Farms by Geography	1,541	2.3	8.7	34.4	54.6	0.1
Family Distribution by Income Level	123,721	21.7	16.2	17.9	44.2	0.0
Household Distribution by Income Level	179,669	23.7	15.1	16.0	45.1	0.0
Median Family Income MSA - 27140 Jackson, MS MSA		\$55,459	Median Housing Value			\$137,378
			Median Gross Rent			\$819
			Families Below Poverty Level			13.8%
<i>Source: 2015 ACS and 2021 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.</i>						

The AA is competitive in the financial services market. According to the FDIC Deposit Market Share data as of June 30, 2022, 29 institutions operated 177 offices within this AA. Of these institutions, CBM ranked 5th with 5.3 percent deposit market share. The top 4 financial institutions account for 74.6 percent of the total deposit market share.

Gulfport-Biloxi MSA

The Gulfport-Biloxi MSA consists of all of Hancock, Harrison, and Jackson Counties. Demographic data for this AA is included in the following table.

Demographic Information of the Assessment Area						
Assessment Area: Gulfport-Biloxi MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	83	8.4	15.7	50.6	19.3	6.0
Population by Geography	382,571	5.8	13.7	55.4	24.9	0.1
Housing Units by Geography	172,906	6.4	15.0	56.0	22.5	0.1
Owner-Occupied Units by Geography	92,124	3.6	10.8	58.2	27.4	0.0
Occupied Rental Units by Geography	52,591	10.5	19.2	54.4	15.7	0.3
Vacant Units by Geography	28,191	8.0	20.6	52.0	19.5	0.0
Businesses by Geography	28,812	7.4	13.1	55.8	23.4	0.3
Farms by Geography	611	3.1	7.4	59.9	29.6	0.0
Family Distribution by Income Level	96,585	23.0	16.4	19.4	41.2	0.0
Household Distribution by Income Level	144,715	24.5	15.8	17.8	41.9	0.0
Median Family Income MSA - 25060 Gulfport-Biloxi, MS MSA		\$52,608	Median Housing Value			\$130,968
			Median Gross Rent			\$832
			Families Below Poverty Level			15.4%
<i>Source: 2015 ACS and 2021 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The AA is competitive in the financial services market. According to the FDIC Deposit Market Share data as of June 30, 2022, 14 institutions operated 103 offices within this AA. Of these institutions, CBM ranked 5th with 7.3 percent deposit market share. The top 4 financial institutions account for 69.3 percent of the total deposit market share.

Hattiesburg MSA

The Hattiesburg MSA consists of all of Forrest and Lamar Counties. Demographic data for this AA is included in the following table.

Demographic Information of the Assessment Area						
Assessment Area: Hattiesburg MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	25	16.0	16.0	44.0	24.0	0.0
Population by Geography	135,152	12.8	9.2	44.8	33.2	0.0
Housing Units by Geography	56,683	12.9	10.3	46.4	30.4	0.0
Owner-Occupied Units by Geography	29,884	4.5	8.6	47.0	39.9	0.0
Occupied Rental Units by Geography	19,964	22.9	12.3	45.5	19.3	0.0
Vacant Units by Geography	6,835	20.4	11.4	46.7	21.5	0.0
Businesses by Geography	11,130	10.8	7.5	50.3	31.4	0.0
Farms by Geography	293	2.0	4.8	46.8	46.4	0.0
Family Distribution by Income Level	33,371	24.2	14.3	19.0	42.5	0.0
Household Distribution by Income Level	49,848	27.1	13.4	15.4	44.1	0.0
Median Family Income MSA - 25620 Hattiesburg, MS MSA		\$52,275	Median Housing Value			\$130,779
			Median Gross Rent			\$771
			Families Below Poverty Level			16.8%
<i>Source: 2015 ACS and 2021 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The AA is competitive in the financial services market. According to the FDIC Deposit Market Share data as of June 30, 2022, 19 institutions operated 57 offices within this AA. Of these institutions, CBM 6th with 5.9 percent deposit market share. The top 5 financial institutions account for 63.8 percent of the total deposit market share.

Alabama

Daphne MSA

The Daphne MSA consists of all of Baldwin County. Demographic data for this AA is included in the following table.

Demographic Information of the Assessment Area						
Assessment Area: Daphne MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	32	0.0	18.8	62.5	15.6	3.1
Population by Geography	195,121	0.0	16.4	64.6	19.0	0.0
Housing Units by Geography	106,422	0.0	19.3	59.9	20.8	0.0
Owner-Occupied Units by Geography	52,997	0.0	14.9	65.0	20.1	0.0
Occupied Rental Units by Geography	21,107	0.0	21.8	61.1	17.1	0.0
Vacant Units by Geography	32,318	0.0	25.0	50.8	24.3	0.0
Businesses by Geography	18,823	0.0	19.2	59.6	21.2	0.0
Farms by Geography	633	0.0	19.6	62.2	18.2	0.0
Family Distribution by Income Level	50,276	20.6	17.7	20.9	40.9	0.0
Household Distribution by Income Level	74,104	24.0	16.2	18.6	41.2	0.0
Median Family Income MSA - 19300 Daphne-Fairhope-Foley, AL MSA		\$62,271	Median Housing Value			\$184,430
			Median Gross Rent			\$894
			Families Below Poverty Level			9.6%
<i>Source: 2015 ACS and 2021 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The AA is competitive in the financial services market. According to the FDIC Deposit Market Share data as of June 30, 2022, 26 institutions operated 85 offices within this AA. Of these institutions, CBM ranked 14th with 1.8 percent deposit market share. The top 5 financial institutions account for 59.18 percent of the total deposit market share.

Florida

Pensacola MSA

The Pensacola MSA consists of all of Escambia County. Demographic data for this AA is included in the following table.

Demographic Information of the Assessment Area						
Assessment Area: Pensacola MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	72	5.6	26.4	48.6	18.1	1.4
Population by Geography	306,327	3.9	24.6	53.8	17.7	0.0
Housing Units by Geography	138,178	3.8	26.0	49.4	20.8	0.0
Owner-Occupied Units by Geography	69,678	2.6	20.4	53.8	23.1	0.0
Occupied Rental Units by Geography	43,982	5.0	36.5	47.5	11.1	0.0
Vacant Units by Geography	24,518	4.6	23.2	40.3	31.9	0.0
Businesses by Geography	45,457	3.3	25.8	50.9	20.0	0.0
Farms by Geography	1,430	3.1	19.9	59.9	17.0	0.0
Family Distribution by Income Level	68,430	20.3	20.5	22.7	36.5	0.0
Household Distribution by Income Level	113,660	24.9	19.2	19.8	36.2	0.0
Median Family Income MSA - 37860 Pensacola-Ferry Pass-Brent, FL MSA		\$60,705	Median Housing Value			\$129,735
			Median Gross Rent			\$917
			Families Below Poverty Level			10.7%
<i>Source: 2015 ACS and 2021 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The AA is competitive in the financial services market. According to the FDIC Deposit Market Share data as of June 30, 2022, 19 institutions operated 53 offices within this AA. Of these institutions, CBM ranked last at 19^h with 0.06 percent deposit market share. The top 5 financial institutions account for 62.6 percent of the total deposit market share.

GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

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

Community Development Loan: A loan that:

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

Community Development Service: A service that:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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