



PUBLIC DISCLOSURE

September 12, 2022

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Elizabethton Federal Savings Bank
Charter Number: 704307

112 N Sycamore St
Elizabethton, TN 37643-3326

Office of the Comptroller of the Currency

320 Seven Springs Way
Suite 310
Brentwood, TN 37027

Note: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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Overall CRA Rating

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

The lending test is rated: Outstanding

The major factors that support this rating include:

- The Lending Test rating is based on the Outstanding performance in the State of Tennessee. The bank exhibits excellent geographic distribution and reasonable borrower distribution.
- The bank's loan-to-deposit (LTD) ratio is reasonable.
- The bank originated a substantial majority of loans inside its AAs.
- The bank did not receive any Community Reinvestment Act (CRA) or fair lending related complaints during the review period.

Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AA(s), the bank's loan-to-deposit ratio is reasonable.

The bank's quarterly LTD ratio for the previous 12 quarters ending December 31, 2021, averaged 72.01 percent. We compared the bank's LTD ratio to five similarly situated institutions in the assessment area (AA) for the same period. Elizabethton Federal Savings Bank (EFSB or bank) had the third highest quarterly average LTD ratio when compared to similarly situated banks. The average LTD ratio for similarly situated banks was 69.1 percent, with a low LTD ratio of 60.2 percent and a high LTD ratio of 79.4 percent. EFSB's highest LTD ratio was 75.7 percent on December 31, 2019, and the low was 67.3 percent on September 30, 2021. The LTD ratio is calculated on a bank-wide basis.

Lending in Assessment Area

A substantial majority of the bank's loans are inside its assessment area(s) (AAs).

The bank originated and purchased 82 percent of its total loans inside the bank's AAs during the evaluation period. This analysis is performed at the bank, rather than the AA, level.

| Loan Category | Number of Loans | | | | Total # | Dollar Amount of Loans \$(000s) | | | | Total \$(000s) |
|---------------|-----------------|------|---------|------|------------|---------------------------------|------|---------|------|-------------------|
| | Inside | | Outside | | | Inside | | Outside | | |
| | # | % | # | % | | \$ | % | \$ | % | |
| Home Mortgage | | | | | | | | | | |
| 2019 | 119 | 85.6 | 20 | 14.4 | 139 | 16,894 | 79.0 | 4,482 | 21.0 | 21,376 |
| 2020 | 144 | 81.8 | 32 | 18.2 | 176 | 23,650 | 79.8 | 5,995 | 20.2 | 29,645 |

| | | | | | | | | | | |
|---|------------|-------------|-----------|-------------|------------|---------------|-------------|---------------|-------------|---------------|
| 2021 | 113 | 79.6 | 29 | 20.4 | 142 | 28,747 | 79.9 | 7,253 | 20.1 | 35,999 |
| Subtotal | 376 | 82.3 | 81 | 17.7 | 457 | 69,291 | 79.6 | 17,730 | 20.4 | 87,021 |
| Total | 376 | 82.3 | 81 | 17.7 | 457 | 69,291 | 79.6 | 17,730 | 20.4 | 87,021 |
| <i>Source: Bank Data</i> | | | | | | | | | | |
| <i>Due to rounding, totals may not equal 100.0%</i> | | | | | | | | | | |

The entire population of Home Mortgage Disclosure Act (HMDA) loans originated during the evaluation period were assessed to complete Table D above.

Description of Institution

EFSB is a federally chartered mutual savings association established in 1937 and headquartered in Elizabethton, Tennessee. EFSB is a single-state institution with five locations in northeastern Tennessee and does not have any affiliates or subsidiaries. As of December 31, 2021, the bank had total assets of \$321.5 million. Management ensures each location is generally accessible to all customers. Branches are located throughout Carter, Washington, and Johnson Counties, within Tennessee.

The bank's ATMs accept deposits at all five locations. Customers can also access accounts through online, mobile, and telephone banking. Internet, mobile, and telephone banking services support account transfers, balance inquiries, and transaction history review. Bill payment, check images, and account statements are also accessible through internet and mobile banking. Remote deposit capture is available through mobile banking. There have not been any major changes in the bank's corporate structure, including merger or acquisition activities, since the previous CRA examination dated December 31, 2018, at which time the bank received an "Outstanding" rating. There are no legal, financial, or other factors impeding the bank's ability to help meet the credit needs of the communities it serves.

EFSB's primary business focus is on residential mortgage loans and deposit servicing. Additionally, multi-family loans, construction and development loans, loans secured by farmland, and commercial real estate loans comprise the majority of the remaining loan portfolio. Net loans comprised 42.6 percent of total assets as of December 31, 2021, while total investments comprised 53.2 percent of total assets. Total assets increased 3.9 percent in 2021 and tier 1 capital totaled \$125.9 million at year-end, resulting in a tier 1 leverage ratio of 39.1 percent.

EFSB has two AAs:

- Carter and Washington Counties AA—This AA consists of all of Carter and Washington Counties, which includes 40 CTs
- Johnson County AA—This AA consist of all five CTs within Johnson County, Tennessee

For the purposes of this evaluation, we combined Carter and Washington counties, which represent a portion of the Johnson City metropolitan statistical area (MSA). Although Johnson County is adjacent to Carter County, it is not part of the MSA. Therefore, we evaluated the institution's performance in the Johnson County AA separately as a rural non-MSA. Each AA consists of whole counties with no tracts arbitrarily excluded.

Scope of the Evaluation

Evaluation Period/Products Evaluated

We evaluated EFSB using the interagency Small Bank examination procedures. In evaluating the bank's lending performance, we focused on EFSB's primary loan product of residential mortgage lending using loan data from January 1, 2019, through December 31, 2021. We compared the bank's lending performance to aggregate peer data as reported in 2019, 2020, and 2021 HMDA data and demographic data as reported in the 2015 American Community Survey (ACS) and 2020 census. As part of this evaluation period, we tested the accuracy of the bank's HMDA data and found the information to be accurate and reliable. We did not consider EFSB's business or consumer lending products because those products do not have large enough volume to provide meaningful analysis.

We assessed EFSB's quarterly LTD ratio for a period of March 2019 to December 2021, or the 12-quarter period since the previous CRA examination.

Selection of Areas for Full-Scope Review

In each state where the bank has an office, one or more of AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated assessment areas located within the same metropolitan statistical area (MSA), multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope. Refer to the "Scope" section under each State Rating for details regarding how full-scope AAs were selected. Refer to appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

Ratings

The bank's overall rating is based on the State of Tennessee.

EFSB has two full-scope AAs in Tennessee. We performed full-scope reviews for both AAs, which considers complete performance context, quantitative, and qualitative actors. We gave equal weight to each AA. Refer to appendix A for a list of all AAs under review.

The state rating is based on performance in all bank AAs. Refer to the "Scope" section under the State Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 CFR 25.28(c) or 195.28(c), "Community Reinvestment Act and Interstate Deposit Production Regulations" or "Community Reinvestment Act," respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Bureau of Consumer Financial Protection, as applicable.

The OCC has not identified that this institution (or any affiliate whose loans have been considered as part of the institution's lending performance) has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by, or provided to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

State Rating

State of Tennessee

CRA rating for the State of Tennessee¹: Outstanding

The Lending Test is rated: Outstanding

The major factors that support this rating include:

- The bank's LTD ratio is reasonable, reflecting responsiveness to credit needs in the communities.
- The bank originated and purchased a substantial majority of loans inside its AAs.
- The bank exhibits excellent geographic distribution of loans to low- and moderate-income census tracts.
- The bank exhibits reasonable distribution of loans to individuals of different income levels.
- EFSB did not receive any complaints regarding its CRA performance during the evaluation period.

Description of Institution's Operations in Tennessee

EFSB operates only in Tennessee. The information provided in the "Description of Institution" section of this Performance Evaluation describes the institution's operations in Tennessee.

We contacted one community contact from a local government office in the Carter and Washington Counties AA. The community contact disclosed that the local economy is growing as people are moving to the areas from larger cities. The contact was unaware of any general banking or credits needs in their community. The contact stated that local financial institutions are involved with the community and provide funding where possible. The local financial institutions are sponsors of many local events and clubs.

We contacted one community contact from a local government office in the Johnson County AA. The community contact disclosed that the local market area is doing well overall. The county is rural with less than 20,000 residents. The COVID-19 Pandemic did not have lasting effects on the economy outside of manufacturing companies struggling to find and retain employees. Local financial institutions are dedicated to supporting local businesses and individual borrowers where they can; however, some situations require larger capital outlays than the local banks can supply. In these instances, larger financial institutions are serving the market area even though they do not have a physical presence.

¹ This rating reflects performance within the state. The statewide evaluations do not reflect performance in the parts of those states contained within a MMSA.

Carter and Washington Counties AA

| Table A – Demographic Information of the Assessment Area | | | | | | |
|--|----------|-----------------------|------------------------------|--------------------------|-------------------------|-----------------------|
| Assessment Area: Carter and Washington Counties AA | | | | | | |
| Demographic Characteristics | # | Low % of # | Moderate % of # | Middle % of # | Upper % of # | NA* % of # |
| Geographies (Census Tracts) | 40 | 0.0 | 27.5 | 52.5 | 17.5 | 2.5 |
| Population by Geography | 182,258 | 0.0 | 21.4 | 54.6 | 23.0 | 1.1 |
| Housing Units by Geography | 86,260 | 0.0 | 23.0 | 54.9 | 22.1 | 0.0 |
| Owner-Occupied Units by Geography | 51,725 | 0.0 | 18.9 | 56.6 | 24.6 | 0.0 |
| Occupied Rental Units by Geography | 24,807 | 0.0 | 28.5 | 51.7 | 19.8 | 0.0 |
| Vacant Units by Geography | 9,728 | 0.0 | 31.3 | 53.6 | 15.1 | 0.0 |
| Businesses by Geography | 11,094 | 0.0 | 19.3 | 44.7 | 35.7 | 0.3 |
| Farms by Geography | 381 | 0.0 | 14.7 | 58.5 | 26.8 | 0.0 |
| Family Distribution by Income Level | 49,242 | 21.6 | 16.6 | 21.7 | 40.2 | 0.0 |
| Household Distribution by Income Level | 76,532 | 25.0 | 15.4 | 17.0 | 42.6 | 0.0 |
| Median Family Income MSA - 27740 Johnson City, TN MSA | | \$50,296 | Median Housing Value | | | \$133,412 |
| | | | Median Gross Rent | | | \$645 |
| | | | Families Below Poverty Level | | | 14.3% |
| <i>Source: 2015 ACS and 2020 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> | | | | | | |

Johnson County AA

| Table A – Demographic Information of the Assessment Area | | | | | | |
|---|----------|-----------------------|----------------------------|--------------------------|-------------------------|-----------------------|
| Assessment Area: Johnson County AA | | | | | | |
| Demographic Characteristics | # | Low % of # | Moderate % of # | Middle % of # | Upper % of # | NA* % of # |
| Geographies (Census Tracts) | 5 | 0.0 | 20.0 | 80.0 | 0.0 | 0.0 |
| Population by Geography | 18,017 | 0.0 | 27.8 | 72.2 | 0.0 | 0.0 |
| Housing Units by Geography | 8,924 | 0.0 | 26.7 | 73.3 | 0.0 | 0.0 |
| Owner-Occupied Units by Geography | 5,432 | 0.0 | 29.8 | 70.2 | 0.0 | 0.0 |
| Occupied Rental Units by Geography | 1,577 | 0.0 | 23.5 | 76.5 | 0.0 | 0.0 |
| Vacant Units by Geography | 1,915 | 0.0 | 20.6 | 79.4 | 0.0 | 0.0 |
| Businesses by Geography | 889 | 0.0 | 20.2 | 79.8 | 0.0 | 0.0 |
| Farms by Geography | 45 | 0.0 | 26.7 | 73.3 | 0.0 | 0.0 |

| | | | | | | |
|--|----------|------|------------------------------|------|------|-----------|
| Family Distribution by Income Level | 4,715 | 25.3 | 19.3 | 17.8 | 37.6 | 0.0 |
| Household Distribution by Income Level | 7,009 | 31.5 | 17.1 | 16.9 | 34.4 | 0.0 |
| Median Family Income Non-MSAs - TN | \$46,066 | | Median Housing Value | | | \$113,230 |
| | | | Median Gross Rent | | | \$496 |
| | | | Families Below Poverty Level | | | 20.9% |
| <i>Source: 2015 ACS and 2020 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> | | | | | | |

Scope of Evaluation in Tennessee

We performed full-scope reviews of each of the bank's AAs.

- Carter and Washington Counties AA—This AA consists of all of Carter and Washington Counties, which includes 40 CTs. This AA includes a total of 11 moderate-income areas, 21 middle-income areas, seven upper income areas, and one area that has not been assigned an income classification. There are no low-income areas in the AA.
- Johnson County AA—This AA consist of all five CTs within Johnson County, Tennessee. There is one moderate-income area and four middle-income areas in the AA. The middle income CTs in this AA are distressed middle-income nonmetropolitan tracts due to poverty according to the Federal Financial Institutions Examination Council (FFEIC) Summary Census Demographic Information Report for 2021. There are no low or upper-income areas in the AA.

LENDING TEST

The bank's performance under the Lending Test in Tennessee is rated Outstanding.

Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank's performance in the Carter and Washington Counties AA and Johnson County AA is excellent.

Distribution of Loans by Income Level of the Geography

The bank exhibits excellent geographic distribution of loans in the State.

Home Mortgage Loans

Refer to Table O in the state of Tennessee section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

Carter-Washington AA

During the review period, the bank's mortgage lending in moderate-income geographies for the Carter and Washington Counties AA was consistent with the percentage of owner-occupied housing units in those geographies. The bank's lending exceeded the aggregate peer comparison for moderate-income

geographies. There were no low-income tracts in the Carter and Washington Counties AA during the evaluation period.

Johnson County AA

During the review period, the bank's mortgage lending in moderate-income geographies for the Johnson County AA was consistent with the percentage of owner-occupied units in those geographies. The bank's lending significantly exceeded the aggregate peer comparison for moderate-income geographies. There were no low-income tracts in the Johnson County AA during the evaluation period.

Lending Gap Analysis

No unexplained, conspicuous gaps in lending were identified. We evaluated lending distribution in the full-scope AAs to determine if any unexplained conspicuous gaps existed. We reviewed lending reports detailing the volume of HMDA loans in LMI geographies and did not identify any areas where no HMDA loans were originated.

Distribution of Loans by Income Level of the Borrower

The bank exhibits a reasonable distribution of loans to individuals of different income levels and businesses and farms of different sizes, given the product lines offered by the bank.

Home Mortgage Loans

Refer to Table P in the state of Tennessee section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

Carter-Washington AA

During the review period, home mortgage loans to low-income borrowers in the Carter and Washington Counties AA is significantly below the level of low-income families in the AA. However, lending to low-income borrowers is significantly above the aggregate peer lending levels. Home mortgage loans to moderate-income borrowers are below the level of moderate-income families and the aggregate lending level for Carter and Washington Counties.

As of December 31, 2020, the median family income is \$50,296. This area has 14.3 percent of families below the poverty level, and low-income families make less than \$26,850 per year. Moderate-income families make no more than \$42,960 per year. With the median housing value being \$133,412, there are limited opportunities for low and moderate-income borrowers to obtain affordable housing.

Johnson County AA

During the review period, home mortgage loans to low-income borrowers in the Johnson County were above aggregate peer lending levels. EFSB's lending in the Johnson County AA was below the level of low-income families. Home mortgage loans to moderate-income borrowers are significantly above the aggregate peer lending level and above the level of moderate-income families.

As of December 31, 2020, the median family income was \$46,066 for the AA. This area has 20.9 percent of families below the poverty level, and low-income families make less than \$31,950 per year. Moderate-income families make no more than \$51,120 per year. With the median housing value being \$113,230 there are limited opportunities for low and moderate-income borrowers to obtain affordable housing.

Responses to Complaints

EFSB did not receive any complaints during the evaluation period.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the MSAs and non-MSAs that received comprehensive examination review, designated by the term “full-scope,” and those that received a less comprehensive review, designated by the term “limited-scope.”

| | | |
|---|----------------------|---|
| Time Period Reviewed: | 01/01/19 to 12/31/21 | |
| Bank Products Reviewed: | Home mortgage loans | |
| List of Assessment Areas and Type of Examination | | |
| Rating and Assessment Areas | Type of Exam | Other Information |
| Tennessee | | |
| Carter and Washington Counties AA | Full Scope | This AA consists of all of Carter and Washington Counties, which includes 40 CTs. This AA includes a total of 11 moderate-income areas, 21 middle-income areas, seven upper income areas, and one area that has not been assigned an income classification. |
| Johnson County AA | Full Scope | This AA consist of all five CTs within Johnson County, Tennessee. There is one moderate-income area and four middle-income areas in the AA. The middle income CTs in this AA are distressed middle-income nonmetropolitan tracts due to poverty according to the Federal Financial Institutions Examination Council (FFIEC) Summary Census Demographic Information Report for 2021. |

Appendix B: Summary of MMSA and State Ratings

| RATINGS | Elizabethton Federal Savings Bank |
|---------------|-----------------------------------|
| Overall Bank: | Lending Test Rating |
| EFSB | Outstanding |
| State: | |
| Tennessee | Outstanding |

Appendix C: Definitions and Common Abbreviations

The following terms and abbreviations are used in this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending (Aggt.): The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

Census Tract (CT): A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

Combined Statistical Area (CSA): A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

Community Development (CD): Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

Community Reinvestment Act (CRA): The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

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

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

Full-Scope Review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

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

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that conduct 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, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

Home Mortgage Loans: A closed-end mortgage loan or an open-end line of credit as these terms are defined under 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

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

Limited-Scope Review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-Income Individual: Individual income that is less than 50 percent of the area median income.

Low Income Geography: A census tract with a median family income that is less than 50 percent.

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 state/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above, and half below, a range of incomes.

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area: An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties 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.

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

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

Multifamily: Refers to a residential structure that contains five or more units.

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

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

Rating Area: A rated area is a state or multi-state metropolitan statistical 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 multi-state metropolitan statistical area, the institution will receive a rating for the multi-state metropolitan statistical area.

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

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

Tier 1 Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

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

Appendix D: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE.

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

- Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.
- Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.

| Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography | | | | | | | | | | | | | | | | | | | 2019-2021 | | |
|--|---------------------------|---------------|--------------|----------------|-----------------------------------|--------------|------------|-----------------------------------|--------------|-------------|-----------------------------------|--------------|-------------|-----------------------------------|--------------|-------------|-----------------------------------|--------------|------------|--|--|
| 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 | | |
| Carter and Washington Counties AA | 324 | 61,216 | 86.2 | 7,917 | 0.0 | 0.0 | 0.0 | 18.9 | 19.1 | 15.2 | 56.6 | 56.5 | 52.9 | 24.6 | 24.4 | 31.9 | 0.0 | 0.0 | 0.0 | | |
| Johnson County AA | 52 | 8,075 | 13.8 | 441 | 0.0 | 0.0 | 0.0 | 29.8 | 28.8 | 20.6 | 70.2 | 71.2 | 79.4 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | | |
| Total | 376 | 69,291 | 100.0 | 8,358 | 0.0 | 0.0 | 0.0 | 19.9 | 20.5 | 15.4 | 57.9 | 58.5 | 54.3 | 22.2 | 21.0 | 30.2 | 0.0 | 0.0 | 0.0 | | |

Source: 2015 ACS; 01/01/2019 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

| Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower | | | | | | | | | | | | | | | | | | | 2019-2021 | | |
|---|---------------------------|---------------|--------------|----------------|----------------------|--------------|------------|---------------------------|--------------|-------------|-------------------------|--------------|-------------|------------------------|--------------|-------------|--------------------------------|--------------|-------------|--|--|
| 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 | | |
| Carter and Washington Counties AA | 324 | 61,216 | 86.2 | 7,917 | 21.6 | 12.0 | 6.5 | 16.6 | 14.2 | 17.6 | 21.7 | 18.2 | 20.2 | 40.2 | 53.4 | 39.3 | 0.0 | 2.2 | 16.4 | | |
| Johnson County AA | 52 | 8,075 | 13.8 | 441 | 25.3 | 7.7 | 4.3 | 19.3 | 21.2 | 14.1 | 17.8 | 13.5 | 17.9 | 37.6 | 55.8 | 47.4 | 0.0 | 1.9 | 16.3 | | |
| Total | 376 | 69,291 | 100.0 | 8,358 | 21.9 | 11.4 | 6.4 | 16.8 | 15.2 | 17.4 | 21.3 | 17.6 | 20.0 | 40.0 | 53.7 | 39.8 | 0.0 | 2.1 | 16.4 | | |

Source: 2015 ACS; 01/01/2019 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%