



PUBLIC DISCLOSURE

September 12, 2022

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Junction National Bank
Charter Number 14330

701 Main Street
Junction, TX 76849

Office of the Comptroller of the Currency
San Antonio Office
10001 Reunion Place, Suite 250
San Antonio, TX 78216

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 **Satisfactory**.

The lending test is rated: Satisfactory.

The major factors that support this rating include:

- The bank's loan-to-deposit (LTD) ratio is reasonable
- A substantial majority of the bank's loans are inside its assessment area (AA).
- The bank has an excellent geographic distribution of loans in the AA.
- The bank has also an excellent distribution of loans to individuals of different income levels and to businesses of different sizes.
- Community development (CD) activities demonstrate adequate responsiveness to AA needs, although not enough to increase the overall rating to Outstanding.

Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AA, the bank's LTD ratio is reasonable.

Junction National Bank's (JNB or bank) quarterly average LTD ratio for the 15-quarter evaluation period is 22 percent. The bank's LTD ratio ranged from a low of 17 percent on December 31, 2021, to a high of 26 percent on September 30, 2018. The bank's average quarterly ratio has declined slightly from 28 percent during the prior evaluation period.

This decline is due to a number of performance context factors, including a substantial increase in deposits over the evaluation period. From March 31, 2019, to December 31, 2021, total deposits at the bank increased 39 percent from \$60 million to \$84 million. This is a drastic change from the 5 percent decrease in total deposits that occurred over the last evaluation period from 2015 to 2017. The majority of this increase in deposits occurred during 2020 and 2021 and was attributed normal operations; however, during this period many of the bank's customers sold land in the Kimble County area, taking advantage of significant increases in real estate values. Customers sold portions of their land and deposited sale proceeds into the bank without requiring subsequent loans.

Government stimulus programs for consumers and businesses also contributed to an increase in deposits and loans during 2020 and 2021. In response to the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) established in 2020, JNB participated in the Small Business Administration's Paycheck Protection Program (PPP). PPP loans were designed to provide a direct incentive for small businesses to keep their workers on payroll during the COVID pandemic. The bank originated 195 PPP loans totaling \$4 million over the evaluation period. All of these loans were responsive to the needs of small businesses, and all paid off during the evaluation period, having minimal impact to the LTD ratio.

As part of the evaluation process, we also compared the bank's average quarterly LTD ratio, to four similarly situated community banks in the local and surrounding areas with total assets ranging from \$36 million to \$146 million. The peer group quarterly average LTD was higher than JNB at 46 percent, ranging from a low of 28 percent to a high of 57 percent. As further described in description of the Kimble County

AA, local and nearby community banks and a credit union provide strong competition within this small community.

JNB originates a reasonable volume of loans, however, the average loan size is small having minimal impact on the LTD. During the evaluation period, the average size for all loans was only \$30 thousand and only about \$9 thousand for consumer loans. Consumer lending is one of the bank's primary products and the bank had a low level of denied loans over the evaluation period, approximating 8 percent of all loan applications received. Most denials were due to weak credit profiles associated with collection actions or judgements, and in these instances, loan officers work with applicants to identify negative items on credit reports, provide financial education, and offer advice on how to dispute items that may be incorrect. These actions occasionally lead to a future loan approval.

In summary, there are limited lending opportunities available in the AA due to the strong local competition, elevated poverty levels, limited growth in the area, and smaller declining population; however, as shown in the loan distribution tests, the bank is making the most of their limited lending opportunities and is responsive to all segments of their AA.

Lending in Assessment Area

A substantial majority of the bank's loans are inside its AA.

The bank originated and purchased 88 percent of its total loans inside the bank's AA during the evaluation period. This analysis is performed at the bank, rather than the AA, level. JNB did not have any affiliates to consider in the evaluation.

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		
	#	%	#	%		\$	%	\$	%	
Small Business	17	85	3	15	20	512	92	47	8	559
Consumer	18	90	2	10	20	112	98	2	2	114
Total	35	88	5	13	40	624	93	49	7	673

Description of Institution

JNB is a full-service intrastate community bank headquartered in Junction, Texas. JNB was chartered in 1935 and has no holding company or affiliates. As of June 30, 2022, the bank reported total assets of \$90 million, tier one capital of \$7.9 million, and a tier one leverage ratio of 8.2 percent.

The bank operates one location and one ATM in Junction, Texas. The bank has not opened or closed any branches since the previous evaluation and there was no merger or acquisition activity. Refer to "Description of Institution's Operations in Texas" in the State Rating section for additional information.

JNB offers a variety of consumer, commercial, and deposit products for its customers including new and used auto, recreational vehicle, small dollar unsecured personal, mortgage, agricultural, working capital, machinery and equipment, and inventory financing loans. Deposit products include low-cost checking and interest-bearing checking accounts, savings accounts, time deposits, safe deposit box services, and

programs to discount or waive service charges for senior citizens and non-profit clubs, organizations, or full-time students. The bank also offers online banking, mobile banking, and mobile remote deposit capture services. As of December 31, 2021, net loans totaled \$15 million and represented 16 percent of total assets. The loan portfolio is composed of farmland and agricultural loans (36 percent), residential real estate and multifamily (32 percent), commercial loans (25 percent), and consumer loans (7 percent).

The previous CRA PE was dated July 2, 2018, and JNB received an overall rating of “Satisfactory”. There are no legal, financial, or other factors impeding the bank’s ability to help meet the credit needs in its AA.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The evaluation period for the lending test was January 1, 2019 through December 31, 2021. Qualifying lending activities performed in response to the COVID pandemic during the evaluation period are included in this CRA evaluation. At management’s request, we also evaluated CD activities. The evaluation period for CD activities was October 1, 2020 through December 31, 2021, as the bank only began documenting CD activities at that time.

To evaluate lending performance, we completed an analysis on random samples of consumer and commercial loans which are the bank’s primary loan products. For the geographic and borrower distribution analyses, we compared lending performance data to updated 2015 American Community Survey (ACS) census data effective January 2017 and we also compared business lending performance to the 2020-2021 Dunn and Bradstreet (D&B) commercial business data.

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 AAs 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 performance in the State of Texas. The state rating is based on performance in the bank's one AA. Small business lending was weighted heavier when concluding on the lending test due to commercial lending representing the largest dollar amount of loans originated and a significant portion of the number of loans originated. 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) 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 Consumer Financial Protection Bureau, as applicable.

The OCC has not identified that this institution 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 Texas

CRA rating for the State of Texas: Satisfactory

The Lending Test is rated: Satisfactory

The major factors that support this rating include:

- The bank's reasonable LTD ratio.
- The bank's excellent geographic distribution of loans.
- The bank's excellent distribution of loans to individuals of different income levels and to businesses of different sizes.
- Adequate responsiveness to CD needs within its AA

Description of Institution's Operations in Texas

JNB operates its only location in Junction, Texas, which is in Kimble County. This location is the bank's head office. The bank's AA includes all of Kimble County. This AA meets the requirements of the regulation and does not exclude any low- or moderate-income (LMI) geographies. Principal communities located in the AA include the city of Junction, which is the county seat, and smaller adjacent communities of London and Roosevelt.

Kimble County AA

Kimble County is a 1,250 square miles area which sits in rural central Texas, approximately 120 miles Northwest of San Antonio and 100 miles Southeast of San Angelo, Texas. QuickFacts data from the United States Census Bureau (census) shows that Kimble County had a total population of 4,286 as of April 1, 2020. This was a decline of about four percent from the 2015 ACS Census data reflected in the table below. More recent census estimates in July 2021, reflected a slight 1.8 percent increase in population since 2020, although population levels were still below 2015 estimates. Junction is the largest city in the county with a population of about 2,451.

The Kimble County AA consists of two census tracts (CT)s, one moderate- and one middle-income. The bank's single location and one ATM are located in the moderate-income CT. The majority of the city of Junction is located within the moderate-income CT, while some of the outer portions of the city are included in the middle-income CT. Census data from 2020 reported that the AA median household income was \$55,677 (from 2017-2021). Data also shows that persons in the AA of age 65 and over represent about 30 percent of the population, which is higher than state and national levels. The 2020 census data reported a county-wide poverty rate of 16 percent, which exceeded the state-wide poverty rate of 14 percent and 12 percent nationally.

Information from the Texas Education Agency (TEA) provides additional perspective on low- and moderate-income populations in the AA through their reports on local school districts. TEA reports show that during 2020-2021, about 65 percent of the students in the Junction Independent School District were

economically disadvantaged or eligible for free or reduced lunch programs. This percentage was slightly higher than the overall state of Texas.

ACS 2015 census data, as reflected in the table below, shows AA median housing value at \$130,997. More recent first quarter 2022 data from the National Association of Realtors (NAR) reflects an increase in the median value to \$192,709. The NAR also estimated that due to higher mortgage rates and home prices, the typical mortgage payment is higher by \$208 as compared to first quarter 2021.

According to the U.S. Bureau of Labor Statistics (BLS) the 2021 annual average unemployment rate for Kimble County was 4.1 percent, which compared favorably to 5.7 in Texas and 5.3 percent nationally. The economy is largely agriculture based with livestock, livestock products, cedar products, and cedar by-products. Junction serves as both shipping and processing point for these products. Major employers in the area include local municipalities, the hospital, and the local ISD. Tourism also plays a vital role in the economy of Kimble County and Junction. Hunting leases, access to rivers, and a state park make Kimble County a tourist destination.

Kimble County is a competitive banking environment relative to the size of the community. The city of Junction has two local Texas based financial institutions, JNB and First State Bank, located within 1-mile of each other. Kerr County Federal Credit Union also has a branch located in the city of Junction which adds to local competition. The FDIC's Deposit Market Share Report as of June 30, 2021, shows JNB holding the larger market share at 57 percent and First State Bank with 43 percent. Additional demographic information regarding the AA is provided in the table below.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Kimble County						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	2	0.0	50.0	50.0	0.0	0.0
Population by Geography	4,486	0.0	47.6	52.4	0.0	0.0
Housing Units by Geography	3,351	0.0	33.8	66.2	0.0	0.0
Owner-Occupied Units by Geography	1,477	0.0	41.8	58.2	0.0	0.0
Occupied Rental Units by Geography	513	0.0	57.5	42.5	0.0	0.0
Vacant Units by Geography	1,361	0.0	16.2	83.8	0.0	0.0
Businesses by Geography	489	0.0	49.7	50.3	0.0	0.0
Farms by Geography	48	0.0	27.1	72.9	0.0	0.0
Family Distribution by Income Level	1,309	21.2	18.4	20.6	39.8	0.0
Household Distribution by Income Level	1,990	27.5	16.1	15.3	41.2	0.0
Median Family Income Non-MSA -TX		\$52,198	Median Housing Value			\$130,997
			Median Gross Rent			\$362
			Families Below Poverty Level			15.1%

Source: 2015 ACS Census and 2020 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.

To help identify the needs and opportunities in the AA we completed a community contact with a local organization which focuses on elder care and health throughout the AA. The contact described the economic conditions of the area as stable but with limited growth. Much of the county's residents are older individuals who may have health or mobility issues and lack of transportation options. The contact indicated a need for more local public transportation options. Decent, affordable housing options were also an identified need in the community as there has been minimal new multi-family housing developments and options for individuals moving into the area are limited. Finally, the contact indicated that financial and fraud education services were needed given the older age of county residents and increases in fraud attacks, in general, on the elder population in the US. The contact had favorable opinions of local financial institution involvement in the local community, noting that education services and use of social spaces was a great benefit in getting elderly residents out of their homes.

Scope of Evaluation in Texas

The bank has only one AA, the Kimble County AA, which received a full-scope review.

LENDING TEST

The bank's performance under the Lending Test is rated Satisfactory.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the Kimble County AA is excellent.

Distribution of Loans by Income Level of the Geography

The bank has an excellent geographic distribution of loans in the State of Texas.

Small Loans to Businesses

Refer to Table Q in the state of Texas section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

The geographic distribution of the bank's small loans to businesses is excellent. The AA does not include any low-income geographies. The percentage of bank loans in moderate-income geographies exceeded the percentage of businesses within the geography and significantly exceeded aggregate data from other small business lenders in the area.

Consumer Loans

Refer to Table U in the state of Texas section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's consumer loan originations and purchases.

The geographic distribution of the bank's consumer loans is excellent. The AA does not include any low-income geographies. The percentage of bank loans in moderate-income geographies significantly exceeded the percentage of households within the geography.

Lending Gap Analysis

We reviewed geographic distribution reports for small loans to businesses and consumer loans in the AA and did not identify any unexplained conspicuous gaps in lending activity.

Distribution of Loans by Income Level of the Borrower

The bank has an excellent distribution of loans to individuals of different income levels and businesses of different sizes, given the product lines offered by the bank.

Small Loans to Businesses

Refer to Table R in the state of Texas section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to businesses.

The distribution of small loans to businesses is excellent. The percentage of bank loans to businesses with annual revenues of \$1 million or less exceeded the reported percentage of small businesses in the AA and significantly exceeded the aggregate percentage reported by other business lenders in the AA.

Consumer Loans

Refer to Table V in the state of Texas section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's consumer loan originations and purchases.

The distribution of consumer loans to borrowers of different income levels is excellent. The percentage of bank loans to both low- and moderate-income borrowers exceeded the percentage of low- and moderate-income households in the AA.

Responses to Complaints

There were no consumer complaints regarding the bank's CRA performance or complaints indicating illegal or discriminatory lending practices during the evaluation period. This had a neutral impact on the overall rating.

COMMUNITY DEVELOPMENT

Based on a full-scope review the bank has demonstrated adequate responsiveness to community development needs in the state through qualified investments and community development services. Community development activities are adequate when considering the bank's capacity, needs, and the availability of opportunities for community development in the bank's AA. Performance related to community development activities had a positive effect on the bank's rating in the state although not enough to increase the overall rating.

Number and Amount of Qualified Investments

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% Of Total #	\$(000's)	% of Total \$	#	\$(000's)
Kimble County	0	0	12	12	12	100	12	100	-	-
Total	0	0	12	12	12	100	12	100	-	-

* Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

** Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

During the evaluation period, JNB's qualified investments included donations totaling \$12,356. The donations provided funding for LMI services, after-school programs, youth agricultural programs, and meal services within the AA. Examples of the investments and donations include:

- \$1,000 to Meals on Wheels, an organization which focuses on providing healthy meals to elderly and disabled individuals.
- \$1,074 dollars to provide funding for after-school programs at local community churches and libraries.
- \$3,000 to provide food and toiletry items to local families experiencing financial hardships.

Extent to Which the Bank Provides Community Development Services

Bank officers and staff provide CD services to the local community through volunteer efforts at local community organizations or events. Activities included providing leadership and technical expertise through board and committee membership. The bank also maintains a large community room, located next to the branch, which is free and open to public use. The room has been used to host several local community organizations and families. Examples of CD services conducted during the evaluation period in the AA include:

- Conducting financial education presentations to seniors at the local high school which focuses on developing good habits for budgeting, spending, saving, and building credit as well as providing an overview of services you could get at a bank and items to look out for when seeking loans.
- Conducting financial education and fraud awareness presentations to the community's elder population.
- Serving on the Kimble County Youth Show board and providing expertise on budgeting and purchasing decisions.
- Volunteering and hosting financial educational events during community after school programs.

JNB's physical locations and online services are reasonably accessible to the entire community, including LMI individuals. The bank's one location and ATM are located in the moderate-income CT.

* 'Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

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:	Lending Test - 01/01/2019 to 12/31/2021 CD Test – 10/01/2020 to 12/31/2021	
Bank Products Reviewed:	Small business and consumer loans Qualified investments and community development services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None	Not Applicable	Not applicable
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
State of Texas		
Kimble County AA	Full-Scope	Kimble County

Appendix B: Summary of MMSA and State Ratings

RATINGS: Junction National Bank	
Overall Bank:	Lending Test Rating:
Junction National Bank	Satisfactory
State: Texas	Satisfactory

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 Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.

Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.

Table S. Assessment Area Distribution of Loans to Farms by Income Category of the Geography - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents aggregate peer data for the years the

data is available. Because aggregate small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.

- Table T. Assessment Area Distribution of Loans to Farms by Gross Annual Revenues** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$500 thousand) originated and purchased by the bank to farms with revenues of \$1 million or less to: 1) the percentage distribution of farms with revenues of greater than \$1 million; and 2) the percentage distribution of farms for which revenues are not available. The table also presents aggregate peer small farm data for the years the data is available.
- Table U. Assessment Area Distribution of Consumer 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 households in those geographies.
- Table V. Assessment Area Distribution of Consumer 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 households by income level in each MMSA/assessment area.

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2019-2021	
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	
Kimble County AA	20	598	100	78	0.0	0.0	0.0	54.2	55.0	33.3	45.8	45.0	66.7	0.0	0.0	0.0	0.0	0.0	0.0	
Total	20	598	100	78	0.0	0.0	0.0	54.2	55.0	33.3	45.8	45.0	66.7	0.0	0.0	0.0	0.0	0.0	0.0	

Source: 2021 D&B Data; 01/01/2019 - 12/31/2021 Bank Data; 2020 CRA Aggregate Data, Due to rounding, totals may not equal 100.0%

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues												2019-2021	
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		
Kimble County AA	20	598	100	78	84.9	90.0	39.7	4.1	10.0	11.0	5.0		
Total	20	598	100	78	84.9	90.0	39.7	4.1	10.0	11.0	5.0		

Source: 2021 D&B Data; 01/01/2019 - 12/31/2021 Bank Data; 2020 CRA Aggregate Data, Due to rounding, totals may not equal 100.0%

Table U: Assessment Area Distribution of Consumer Loans by Income Category of the Geography													2019-2021	
Assessment Area:	Total Consumer Loans			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts		
	#	\$	% Of Total	% Of Households	% Bank Loans	% Of Households	% Bank Loans	% Of Households	% Bank Loans	% Of Households	% Bank Loans	% Of Households	% Bank Loans	
Kimble County AA	20	112	100	0.0	0.0	45.9	70.0	54.1	30.0	0.0	0.0	0.0	0.0	
<i>Source: 2015 ACS; 01/01/2019 - 12/31/2021 Bank Data. Due to rounding, totals may not equal 100.0%</i>														

Table V - Assessment Area Distribution of Consumer Loans by Income Category of the Borrower													2019-2021	
Assessment Area:	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income Borrowers		
	#	\$	% Of Total	% Of Households	% Bank Loans	% Of Households	% Bank Loans	% Of Households	% Bank Loans	% Of Households	% Bank Loans	% Of Households	% Bank Loans	
Kimble County AA	20	112	100.0	27.5	30.0	16.1	20.0	15.3	25.0	41.2	20.0	0.0	5.0	
Total	20	112	100.0	27.5	30.0	16.1	20.0	15.3	25.0	41.2	20.0	0.0	5.0	
<i>Source: 2015 ACS; 01/01/2019 - 12/31/2021 Bank Data. Due to rounding, totals may not equal 100.0%</i>														