



PUBLIC DISCLOSURE

July 8, 2019

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 and borrower distribution.
- The Bank's loan-to-deposit (LTD) ratio is reasonable.
- The Bank originated and purchased 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

The bank's LTD ratio is reasonable.

EFSB's quarterly LTD ratio since the previous CRA evaluation (the 11 quarter period ending March 31, 2019) averaged 68.01 percent. We compared the Bank's LTD ratio to seven similarly situated banks in the assessment area (AA) for the same period. EFSB had the fourth highest quarterly average LTD ratio when compared to similarly situated banks. The average LTD ratio for similarly situated banks was 72.74 percent with an average high of 91.11 percent and an average low of 61.45 percent. EFSB's highest LTD ratio was 73.81 percent on March 31, 2019, and the lowest was 66.21 percent on June 30, 2017. 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 AAs.

The bank originated and purchased 88 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.

Table D- 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										
2016	116	86.6	18	13.4	134	13,199	81.6	2,973	18.4	16,172
2017	118	88.1	16	11.9	134	14,053	83.0	2,878	17.0	16,931
2018	141	89.2	17	10.8	158	20,202	88.7	2,579	11.3	22,781
Total	375	88	51	12.0	426	47,454	84.9	8,430	15.1	55,884

Source: Evaluation Period: 1/1/2016 - 12/31/2018 Bank Data. Due to rounding, totals may not equal 100.0

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. The bank, with total assets of \$305 million as of December 31, 2018, operates all five offices ensuring each is generally accessible to all customers. These branches are located throughout Carter, Washington, and Johnson Counties, within Tennessee.

The bank's ATMs accept deposits at all five of its locations. Customers also access their accounts online and by telephone. Internet and telephone banking services support transfers between institution accounts, balance inquiries, and transaction history review. Bill payment, check images, and account statements are also accessible through internet banking service. There have not been any major changes in the bank's corporate structure, including merger or acquisition activities, since the last CRA examination dated July 11, 2016, at which time the bank received a "Satisfactory" 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 in 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 43 percent of total assets as of December 31, 2018, while interest-bearing bank balances and investment securities comprised the remaining 57 percent of total assets. Total assets declined 3.86 percent in 2018. Tier 1 Capital was 38.2 percent as of December 31, 2018.

EFSB has two AAs:

- Carter and Washington Counties AA – This AA consists of the combined 40 census tracts (CTs), as defined in the 2010 census, which comprise a portion of the Johnson City, Tennessee metropolitan statistical area (MSA)
- Johnson County AA – This AA consists of the five CTs within Johnson County, Tennessee

For the purpose 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, 2016, through December 31, 2018. We compared the bank's lending performance to aggregate peer data as reported in the 2016, 2017, and 2018 HMDA data and

demographic data as reported in the 2010 census and 2015 American Community Survey (ACS). 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 as those products do not have enough volume to provide a meaningful analysis.

We assessed EFSB's quarterly LTD ratio for the period of September 2016 to March 2019 or the 11 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 its AAs within that state was selected for a full-scope review. For the purposes of this evaluation, bank delineated assessment areas located within the same MSA, multi-state metropolitan statistical area (MMSA), or combined statistical area 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 factors. 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), 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 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 excellent distribution of loans to individuals of different income levels.
- EFSB has not received 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.

Carter and Washington Counties AA

Table A – Demographic Information of the Assessment Area						
Assessment Area: Carter and Washington Counties AA 2016						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	40	2.5	35.0	40.0	20.0	2.5
Population by Geography	180,403	1.5	27.3	40.7	29.3	1.2
Housing Units by Geography	83,271	1.6	29.1	40.8	28.5	0.0
Owner-Occupied Units by Geography	50,884	0.9	24.2	45.3	29.6	0.0
Occupied Rental Units by Geography	22,160	2.6	38.4	30.3	28.7	0.0
Vacant Units by Geography	10,227	2.6	33.3	41.1	23.0	0.0
Businesses by Geography	9,450	1.7	27.2	33.4	37.3	0.5
Farms by Geography	334	0.9	17.4	56.9	24.9	0.0
Family Distribution by Income Level	47,456	22.2	17.1	19.8	40.8	0.0
Household Distribution by Income Level	73,044	25.4	15.1	17.3	42.3	0.0

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.

Median Family Income MSA - 27740 Johnson City, TN MSA	\$47,017	Median Housing Value	\$124,609			
		Median Gross Rent	\$564			
		Families Below Poverty Level	14.0%			
Source: 2010 U.S. Census and 2016 D&B Data Due to rounding, totals may not equal 100.0 (*) The NA category consists of geographies that have not been assigned an income classification.						
Table A – Demographic Information of the Assessment Area Assessment Area: Carter and Washington Counties AA 2017 - 2018						
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	9,516	0.0	19.5	46.1	34.1	0.3
Farms by Geography	326	0.0	12.9	61.7	25.5	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%			
Source: 2015 ACS Census and 2018 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.						

Community contacts conducted in connection with the CRA examinations of other banks disclosed that the local economy within the AA is growing with unemployment ranging from 3%-4%. The housing market has benefited as home prices continued to climb. However, there is still a need for more affordable housing for low- and moderate-income individuals/families. Contacts stated that plenty of opportunities exist throughout the Carter/Washington County area for financial institutions to be involved with providing affordable housing.

Johnson County AA

Table A – Demographic Information of the Assessment Area Assessment Area: Johnson County AA 2016						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	5	0.0	40.0	60.0	0.0	0.0
Population by Geography	18,244	0.0	49.5	50.5	0.0	0.0

Housing Units by Geography	8,874	0.0	43.9	56.1	0.0	0.0
Owner-Occupied Units by Geography	5,635	0.0	46.5	53.5	0.0	0.0
Occupied Rental Units by Geography	1,741	0.0	40.5	59.5	0.0	0.0
Vacant Units by Geography	1,498	0.0	38.4	61.6	0.0	0.0
Businesses by Geography	773	0.0	35.3	64.7	0.0	0.0
Farms by Geography	62	0.0	37.1	62.9	0.0	0.0
Family Distribution by Income Level	5,091	28.2	22.8	17.1	31.9	0.0
Household Distribution by Income Level	7,376	29.9	17.8	18.2	34.1	0.0
Median Family Income Non-MSAs - TN		\$44,386	Median Housing Value			\$92,717
			Median Gross Rent			\$477
			Families Below Poverty Level			19.5%
Source: 2010 U.S. Census and 2016 D&B Data Due to rounding, totals may not equal 100.0 (*) The NA category consists of geographies that have not been assigned an income classification.						

Table A – Demographic Information of the Assessment Area						
Assessment Area: Johnson County AA 2017 - 2018						
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	798	0.0	21.2	78.8	0.0	0.0
Farms by Geography	42	0.0	28.6	71.4	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		\$46,254	Median Housing Value			\$113,230
			Median Gross Rent			\$496
			Families Below Poverty Level			20.9%
Source: 2015 ACS Census and 2018 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.						

Community contacts conducted in connection with the CRA examinations of other banks disclosed that the local economy within the AA is good with unemployment under 4%. The county faces transportation/infrastructure accessibility limitations, as there are limited four lane roads, no major river or railways, and the interstate is approximately 20 miles from the county's one major town. The lack of appropriate industrial transportation options makes attracting new businesses to the area difficult. There is a need for more affordable housing as there are only five low-income apartment complexes in

Mountain City. Opportunities exist throughout the Johnson County area for financial institutions to be involved with providing affordable housing and attracting new businesses.

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, 22 middle-income areas, and seven upper-income area.
- Johnson County AA – This AA consists of all five CTs within Johnson County, Tennessee. There are four middle-income areas and one moderate-income area. 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 2018.

LENDING TEST

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

Based on full-scope reviews, the bank's lending performance in the State of Tennessee is excellent.

Distribution of Loans by Income Level of the Geography

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

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 and Washington Counties AA

In 2016, EFSB's mortgage lending in low- and moderate-income geographies significantly exceeded both the level of owner-occupied housing units and the aggregate lending comparator in the Carter and Washington Counties AA. In 2017 and 2018, the bank's mortgage lending in moderate-income geographies for the Carter and Washington Counties AA again significantly exceeded both the level of owner-occupied housing units and the aggregate lending comparator. There were no low-income tracts in the Carter and Washington Counties AA in 2017 and 2018.

Johnson County AA

In 2016, EFSB's mortgage lending in moderate-income geographies was slightly below but within a reasonable range of the level of owner-occupied housing units and aggregate lending. In 2017-2018, the bank's lending in moderate-income geographies exceeded the aggregate lending comparator and was slightly below but within a reasonable range of the level of owner-occupied housing units. There were no low-income tracts the Johnson County in 2016, 2017, and 2018.

Distribution of Loans by Income Level of the Borrower

The bank exhibits an excellent distribution of loans to individuals of different income levels.

Home Mortgage Loans

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

The distribution of home mortgage loans by income level of the borrower is excellent.

Carter and Washington Counties AA

In 2016, EFSB's home mortgage loans to low-income borrowers was significantly above the aggregate lending levels but below the level of low-income families. EFSB's home mortgage lending to moderate-income borrowers was below but within a reasonable range of the level of aggregate lending and the level of moderate-income families. In 2017-2018, EFSB's home mortgage loans to both low- and moderate-income borrowers exceeded aggregate lending. EFSB's lending to moderate-income families was near but slightly below the level of moderate-income families, and the level of lending to low-income families was below the level of low-income families.

EFSB's lending was below the level of low- and moderate-income families, which is reflective of how difficult it is for families in this income range to qualify for loans. As of December 31, 2018, the median family income was \$50,296. This area has 14.3 percent of families below the poverty level, and low-income families make less than \$27,050 per year. Moderate-income families make no more than \$43,280 per year. With the median housing value being \$133,412, it is difficult for low- and moderate-income borrowers to obtain affordable housing.

Given the difficulties for low- and moderate-income borrowers to obtain affordable housing, we placed more weight on the bank's lending compared to aggregate. EFSB's lending, which in most cases exceeds or significantly exceeds aggregate peer data, is reflective of excellent lending.

Johnson County AA

In 2016, EFSB's home mortgage loans to low-income borrowers exceeded the level of aggregate lending for low-income borrowers and was near the level of aggregate lending for moderate-income borrowers. EFSB's level of home mortgage loans was below the level of both low- and moderate-income families.

In 2017 – 2018, EFSB's home mortgage loans to low-income borrowers exceeded aggregate lending but was below the level of low-income families in the AA. EFSB's home mortgage loans to moderate-income borrowers exceeded both aggregate lending and the level of moderate-income families.

As of December 31, 2018, the median family income is \$46,254. This area has 20.9 percent of families below the poverty level, and low-income families make less than \$25,050 per year. Moderate-income families make no more than \$40,080 per year. With the median housing value being \$113,230, it is difficult for low- and moderate-income borrowers to obtain affordable housing. Given the difficulties for low- and moderate-income borrowers to obtain affordable housing, we placed more weight on the bank's lending compared to aggregate. EFSB's lending, which in most cases exceeds or significantly exceeds aggregate peer data, is reflective of excellent lending.

Responses to Complaints

EFSB did not receive any complaints regarding its CRA performance 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:	01/01/16 to 12/31/18	
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 the whole combined 40 CTs, as defined in the 2010 census, which comprise a portion of the Johnson City, Tennessee metropolitan statistical area (MSA). This AA includes a total of 11 moderate-income areas, 22 middle-income areas, and seven upper-income areas.
Johnson County AA	Full scope	This Non-MSA AA consists of the five whole CTs, as defined in the 2010 census, within Johnson County, Tennessee. There are four middle-income areas and one moderate-income area. 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 2018.

Appendix B: Summary of 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 low- and moderate-income 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 O : Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2016
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	89	10,644	76.7	4,981	0.9	2.2	1.2	24.2	40.4	18.8	45.3	33.7	41.7	29.6	23.6	38.3	0.0	0.0	0.0
Johnson County AA	27	2,555	23.3	242	0.0	0.0	0.0	46.5	40.7	45.0	53.5	59.3	55.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	116	13,199	100.0	5,223	0.8	1.7	1.1	26.5	40.5	20.0	46.1	39.7	42.4	26.6	18.1	36.6	0.0	0.0	0.0
Source: 2010 U.S Census; 01/01/2016 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0																			

Table O : Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2017-18
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	233	31,188	90.0	4,838	0.0	0.0	0.0	18.9	27.5	15.9	56.6	47.6	52.5	24.6	24.9	31.6	0.0	0.0	0.0
Johnson County AA	26	3,067	10.0	200	0.0	0.0	0.0	29.8	26.9	21.5	70.2	73.1	78.5	0.0	0.0	0.0	0.0	0.0	0.0
Total	259	34,255	100.0	5,038	0.0	0.0	0.0	19.9	27.4	16.1	57.9	50.2	53.5	22.2	22.4	30.3	0.0	0.0	0.0
Source: 2015 ACS Census; 01/01/2017 - 12/31/2018 Bank Data, 2017 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																			2016
	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
Assessment Area:	#	\$	% 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	89	10,644	76.7	4,981	22.2	9.0	4.4	17.1	7.9	13.3	19.9	19.1	19.1	40.8	59.6	43.6	0.0	4.5	19.6
Johnson County AA	27	2,555	23.3	242	28.2	11.1	6.2	22.8	14.8	15.7	17.1	25.9	19.8	31.9	48.1	43.8	0.0	0.0	14.5
Total	116	13,199	100.0	5,223	22.8	9.5	4.5	17.7	9.5	13.4	19.6	20.7	19.2	39.9	56.9	43.6	0.0	3.4	19.4
Source: 2010 U.S Census; 01/01/2016 - 12/31/2016 Bank Data, 2016 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																			2017-18
	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
Assessment Area:	#	\$	% 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	233	31,188	90.0	4,838	21.6	8.6	5.6	16.6	15.0	14.6	21.7	20.6	20.5	40.2	48.9	41.0	0.0	6.9	18.3
Johnson County AA	26	3,067	18.4	200	25.3	11.5	7.0	19.3	30.8	22.5	17.8	11.5	12.5	37.6	46.2	43.5	0.0	0.0	14.5
Total	259	34,255	100.0	5,038	21.9	8.9	5.7	16.8	16.6	14.9	21.3	19.7	20.2	40.0	48.6	41.1	0.0	6.2	18.1
Source: 2015 ACS Census; 01/01/2017 - 12/31/2018 Bank Data, 2017 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0																			