PUBLIC DISCLOSURE

June 15, 2026

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

INSOUTH Bank
RSSD #329550

111 South Washington Street
Brownsville, Tennessee 38012

Federal Reserve Bank of St. Louis

P.O. Box 442
St. Louis, Missouri 63166-0442

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, nor should it be construed as, an assessment of the financial condition of the institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.**

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INSTITUTION'S CRA RATING: This institution is rated SATISFACTORY.

The Lending Test is rated: Satisfactory
The Community Development Test is rated: Satisfactory

INSOUTH Bank (the bank) meets the criteria for a Satisfactory rating based on the evaluation of the bank's lending and community development activities. The factors supporting the institution's rating include:

- The loan-to-deposit (LTD) ratio is reasonable given the institution's size and financial condition and the credit needs of the assessment areas.

- A majority of loans and other lending-related activities are in the assessment areas.

- The distribution of loans to borrowers reflects reasonable performance among individuals of different income levels (including low- and moderate-income (LMI)) and businesses of different revenue sizes.

- The geographic distribution of loans reflects reasonable performance throughout the assessment areas.

- There were no CRA-related complaints filed against the bank since the previous CRA evaluation.

- The bank's overall community development performance demonstrates adequate responsiveness to the community development needs of its assessment areas, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's assessment areas. The bank has responded to these needs through community development loans, qualified investments, and community development services.

SCOPE OF EXAMINATION

The bank's CRA performance was reviewed using the Federal Financial Institutions Examination Council's (FFIEC's) Intermediate Small Bank Procedures. The Intermediate Small Bank Examination Procedures entail two performance tests: the Lending Test and the Community Development Test. Bank performance under these tests is rated at the institution level. The bank maintains operations in three delineated assessment areas within the state of Tennessee. The primary assessment area is located within a western portion of nonmetropolitan statistical area (nonMSA) Tennessee and consists of Haywood County in its entirety. Another assessment area is located within the Tennessee portion of the larger Memphis, Tennessee-Mississippi-Arkansas MSA (Memphis MSA) and consists of Shelby and Tipton counties. The last assessment area consists of Madison County, which is part of the Jackson, Tennessee MSA.

The following table details the number of branch offices, breakdown of deposits, and the CRA review procedures applicable to each assessment area completed as part of this evaluation. Deposit information in the following table, as well as deposit information throughout this evaluation, is taken from the Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report data as of June 30, 2025.

Assessment Area	Offices		Deposits		Review Procedures
	#	%	$ (000s)	%	
Haywood County	2	28.6%	$209,364	42.8%	Full Scope
Partial Memphis MSA	4	57.1%	$270,537	55.3%	Full Scope
Madison County	1	14.3%	$9,016	1.8%	Limited Scope
TOTAL[1]	**7**	**100.0%**	**$488,917**	**100.0%**	**2 – Full Scope**

Considering the distribution of the bank's branch locations, deposits, and lending activity, equal weighting is generally placed on performance in both full-scope assessment areas.

Furthermore, home mortgage and small business loans were used to evaluate the bank's lending performance, as these loan categories are considered the bank's core business lines based on lending volume. Therefore, the loan activity represented by these credit products is deemed indicative of the bank's overall lending performance. However, given the greater volume by number of home mortgage lending during the review period, performance based on the Home Mortgage Disclosure Act (HMDA) loan category carried the most significance toward the bank's overall performance conclusions. The following table details the performance criterion and the corresponding time periods used in each analysis.

Performance Criterion	Time Period
LTD Ratio	March 31, 2021 – March 31, 2026
Assessment Area Concentration	January 1, 2023 – December 31, 2024
Loan Distribution by Borrower's Profile	
Geographic Distribution of Loans	
Response to Written CRA Complaints	March 15, 2021 – June 14, 2026
Community Development Activities	

Lending Test analyses often entail comparisons of bank performance to assessment area demographics and the performance of other lenders, based on HMDA and CRA aggregate lending data. Unless otherwise noted, assessment area demographics are based on 2020 American Community Survey (ACS) data, and certain business demographics are based on 2023 and 2024 Dun & Bradstreet data.

When analyzing bank performance by comparing lending activity to both demographic data and aggregate lending data, greater emphasis is generally placed on the aggregate lending data, because it is expected to describe many factors impacting lenders within an assessment area. Aggregate lending datasets are also updated annually and are, therefore, expected to predict more relevant comparisons. In addition, the bank's lending levels were evaluated in relation to those of

[1] Note: In this table and others throughout this document, percentages may not total 100% due to rounding.

comparable financial institutions operating within the same general region. Three other banks were identified as similarly situated peers, with asset sizes ranging from $321.2 million to $491.1 million as of March 31, 2026.

As part of the Community Development Test, the bank's performance was evaluated using the following criteria, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's assessment areas:

- The number and dollar amount of community development loans.
- The number and dollar amount of qualified investments and grants.
- The extent to which the bank provides community development services.

The review included community development activities initiated from the date of the bank's previous CRA evaluation to this review date. In addition, investments made prior to the date of the previous CRA evaluation but still in the bank's portfolio as of this review date were also considered.

To augment this evaluation, two community contact interviews with members of the local community were utilized in order to ascertain specific credit needs, opportunities, and local market conditions within the bank's assessment areas. Information from these interviews also assisted in evaluating the bank's responsiveness to identified community credit needs and community development opportunities. Key details from these community contact interviews are included in the *Description of Assessment Area* section applicable to the assessment area in which they were conducted.

DESCRIPTION OF INSTITUTION

INSOUTH Bank is a full-service retail bank offering both consumer and commercial loan and deposit products. The bank is wholly owned by Independent Southern Bancshares, Inc., a one-bank holding company. The bank and its holding company are both headquartered in Brownsville, Tennessee. The bank's branch network consists of seven offices (including the main office), six of which have full-service interactive teller machines (ITMs) on site. The bank branch without a full-service ITM is a limited-service branch with drive-through-only access. Five of the six full-service branches have drive-through access as well. During the review period, the bank relocated one branch within the partial Memphis MSA assessment area. Additionally, a loan production office (LPO) in the Madison County assessment area was relocated within the county and converted into a full-service branch.

For this review period, no legal impediments or financial constraints were identified that would have hindered the bank from serving the credit needs of its customers, and the bank appeared capable of meeting the credit needs of its assessment areas based on its available resources and financial products. As of March 31, 2026, the bank reported total assets of $568.4 million. As of the same date, loans and leases outstanding were $440.7 million (77.5 percent of total assets), and deposits totaled $508.7 million. The bank's loan portfolio composition by credit category is displayed in the following table.

Distribution of Total Loans as of March 31, 2026		
Credit Category	**Amount $ (000s)**	**Percentage of Total Loans (%)**
Commercial Real Estate	$165,443	37.5%
1–4 Family Residential	$121,792	27.6%
Commercial and Industrial	$63,209	14.3%
Construction and Development	$45,593	10.3%
Farmland	$23,143	5.3%
Total Other Loans	$7,801	1.8%
Loans to Individuals	$6,370	1.4%
Multifamily Residential	$5,317	1.2%
Farm Loans	$2,012	0.5%
TOTAL	**$440,680**	**100%**

As indicated by the table above, a significant portion of the bank's lending resources is directed to commercial real estate loans and loans secured by 1–4 family residential properties. The bank also originates a significant volume of commercial and industrial loans.

The bank received a Satisfactory rating at its previous CRA evaluation conducted by this Reserve Bank on March 15, 2021.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

INSOUTH Bank meets the standards for a Satisfactory Lending Test rating under the intermediate small bank procedures, which evaluate bank performance under the following five criteria, as applicable.

Loan-to-Deposit (LTD) Ratio

One indication of the bank's overall level of lending activity is its LTD ratio. The table below displays the bank's average LTD ratio in comparison to those of regional peers. The average LTD ratio represents a 21-quarter average, dating back to the bank's last CRA evaluation.

LTD Ratio Analysis			
Name	**Headquarters**	**Asset Size $ (000s) as of March 31, 2026**	**Average LTD Ratio (%)**
INSOUTH Bank	Brownsville, Tennessee	$568,378	84.3%
Regional Banks	Decaturville, Tennessee	$321,233	85.6%
	Memphis, Tennessee	$491,149	93.4%
	Millington, Tennessee	$430,166	60.2%

Based on data from the previous table, the bank's level of lending is between those of other banks in the region.

During the review period, the bank's quarterly LTD ratio experienced a generally stable trend, with a 21-quarter average of 84.3 percent. Similarly, the average LTD ratios for two of the regional peers also experienced generally stable trends, while another peer displayed a slightly increasing trend. Therefore, compared to data from regional banks, the bank's average LTD ratio is reasonable given the bank's size and financial condition and the credit needs of its assessment areas.

Assessment Area Concentration

For the loan activity reviewed as part of this evaluation, the following table displays the number and dollar volume of loans inside and outside the bank's assessment areas.

Lending Inside and Outside the Assessment Areas January 1, 2023 through December 31, 2024								
Loan Type	**Inside**				**Outside**			
	#	**# %**	**$ (000s)**	**$ %**	**#**	**# %**	**$ (000s)**	**$ %**
HMDA	145	48.3%	$26,439	46.2%	155	51.7%	$30,746	53.8%
Small Business	70	65.4%	$9,315	63.2%	37	34.6%	$5,414	36.8%
TOTAL LOANS	**215**	**52.8%**	**$35,754**	**49.7%**	**192**	**47.2%**	**$36,160**	**50.3%**

A majority of loans and other lending-related activities were made in the bank's assessment areas. As shown above, 52.8 percent of the total loans were made inside the assessment areas.

Borrower and Geographic Distribution

Overall, performance by borrower's income/revenue profile is reasonable, based on the analyses of lending in the bank's two full-scope assessment areas, as displayed in the following table.

Full-Scope Assessment Areas	Loan Distribution by Borrower's Profile
Haywood County	Reasonable
Partial Memphis MSA	Reasonable
OVERALL	**REASONABLE**

Limited-Scope Assessment Area	Loan Distribution by Borrower's Profile
Madison County	Consistent

As displayed in the following table, the bank's overall distribution of lending by income level of census tract reflects reasonable performance throughout the full-scope assessment areas.

Full-Scope Assessment Areas	Geographic Distribution of Loans
Haywood County	Excellent
Partial Memphis MSA	Reasonable
OVERALL	**REASONABLE**

Limited-Scope Assessment Area	Geographic Distribution of Loans
Madison County	Consistent

While bank performance in Haywood County is excellent, the reasonable performance in the partial Memphis MSA assessment area did not support an overall excellent conclusion.

Responses to Complaints

No CRA-related complaints were filed against the bank during this review period (March 15, 2021 through June 14, 2026).

COMMUNITY DEVELOPMENT TEST

The bank's performance under the Community Development Test is rated Satisfactory. Considering the bank's capacity and the need and availability of such opportunities for community development in the assessment areas, the bank demonstrates adequate responsiveness to the community development needs of its assessment areas.

Full-Scope Assessment Areas	Community Development Test Performance Conclusions
Haywood County	Adequate
Partial Memphis MSA	Poor
OVERALL	**ADEQUATE**

Limited-Scope Assessment Area	Community Development Test Performance Conclusions
Madison County	Consistent

The bank's community development responsiveness is adequate given its level of community development activities. While performance varied between the two full-scope assessment areas, preference is given to the bank's performance in Haywood County given the vital role that the bank plays in meeting the credit and community development needs of the assessment area, as evidenced by the fact that the bank is the leader in deposit market share as well as a top lender in the county. Therefore, the bank's overall performance under the Community Development Test is considered adequate.

Total Community Development Activities Inside Assessment Areas March 15, 2021 – June 14, 2026			
Community Development Component	**#**		**$**
Loans	50		$14.9 million
Investments, Current and Prior	1		$296,555
Current Period	0		$0
Prior Period, Still Outstanding	1		$296,555
Donations	78		$301,906
Services	180 services	438 hours	15 organizations

During the review period, the bank made 50 qualifying loans in its assessment areas totaling approximately $14.9 million. Of those loans, 34 were for revitalization/stabilization, 10 were for economic development, 4 were for a community service organization, and 2 were for affordable housing.

The bank also made community development investments and donations in its assessment areas totaling $598,461. This amount included one continuing investment made in a prior review period totaling $296,555 and 78 donations totaling $301,906. The investment was a municipal bond issued by a city energy authority for revitalization and stabilization of LMI geographies. Furthermore, the 78 donations were to 32 total qualifying schools and organizations having a community development purpose.

During the review period, bank personnel used their financial expertise to log 180 service activities to 15 different community development organizations within the bank's assessment areas. Service activities included delivering financial education in schools that primarily serve LMI families and providing financial expertise to community service organizations as board members.

In addition to adequately meeting the community development needs of its assessment areas, the bank had community development investments outside its assessment areas but still within the broader statewide or regional areas. The bank made nine community development investments totaling $4.6 million and donated $1,000 to various organizations outside its assessment areas but within Tennessee. Three of the investments were in bonds to provide financial assistance to homeowners.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Based on findings from the Consumer Affairs examination, including a fair lending analysis performed under Regulation B – Equal Credit Opportunity and the Fair Housing Act requirements, conducted concurrently with this CRA evaluation, no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

NONMETROPOLITAN TENNESSEE STATEWIDE AREA

(Full-Scope Review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE HAYWOOD COUNTY ASSESSMENT AREA

Bank Structure

The bank operates two of its seven offices (28.6 percent) in this assessment area. This includes the bank's main office as well as the limited-service drive-through-only office. Both offices are located in the same moderate-income census tract. Since the last evaluation, the bank did not open or close any branches in this assessment area. Based on its branch network and other service delivery systems, the bank is well positioned to deliver financial services to substantially all of the assessment area.

General Demographics

The assessment area consists of Haywood County in its entirety. This is the bank's primary assessment area and is located in western Tennessee, sharing borders with the bank's Madison County assessment area to the east as well as Tipton County in the bank's partial Memphis MSA assessment area to the west. Based on 2020 ACS data, the assessment area population was 17,864. Of the four FDIC-insured depository institutions with a branch presence in this assessment area, the bank ranked 1st in deposit market share, encompassing 56.7 percent of total deposit dollars.

Credit needs in the assessment area include a mix of consumer and business loan products. Other particular credit needs in the assessment area, as noted primarily by a community contact, include new housing development and home improvement loans.

Income and Wealth Demographics

The following table summarizes the distribution of assessment area census tracts by income level and the family population within those tracts.

Assessment Area Demographics by Geography Income Level						
Dataset	**Low-**	**Moderate-**	**Middle-**	**Upper-**	**Unknown-**	**TOTAL**
Census Tracts	0	2	4	0	0	**6**
	0.0%	33.3%	66.7%	0.0%	0.0%	**100.0%**
Family Population	0	1,732	3,024	0	0	**4,756**
	0.0%	36.4%	63.6%	0.0%	0.0%	**100.0%**

As shown above, 33.3 percent of the census tracts in the assessment area are LMI geographies, with 36.4 percent of the family population residing in these tracts. These LMI areas are primarily concentrated in and around the city of Brownsville. Additionally, all four middle-income census tracts were designated as distressed due to poverty in 2023 and 2024.

Based on 2020 ACS data, the median family income for the assessment area was $51,506. At the same time, median family income for nonMSA Tennessee was $56,418. More recently, the FFIEC estimates the 2024 median family income for nonMSA Tennessee to be $69,100. The following table displays population percentages of assessment area families by income level compared to family populations in nonMSA Tennessee as a whole.

Family Population by Income Level					
Dataset	**Low-**	**Moderate-**	**Middle-**	**Upper-**	**TOTAL**
Assessment Area	1,072	1,055	880	1,749	**4,756**
	22.5%	22.2%	18.5%	36.8%	**100.0%**
NonMSA Tennessee	77,126	71,660	77,625	156,544	**382,955**
	20.1%	18.7%	20.3%	40.9%	**100%**

As shown in the table above, 44.7 percent of families within the assessment area were considered LMI, which is higher than the LMI family percentage of 38.8 percent in nonMSA Tennessee. However, the percentage of families living below the poverty level in the assessment area, 12.1 percent, is slightly below the 12.6 percent level in nonMSA Tennessee. Considering these factors, families in the assessment area appear to be less affluent than those in nonMSA Tennessee as a whole.

Housing Demographics

Housing demographic information is displayed in the following table for the assessment area and nonMSA Tennessee.

Housing Cost Burden (%)						
Area	**Cost Burden – Renters**			**Cost Burden – Owners**		
	Low Income	**Moderate Income**	**All Renters**	**Low Income**	**Moderate Income**	**All Owners**
Assessment Area	79.3%	28.8%	42.4%	62.9%	38.7%	23.0%
NonMSA Tennessee	64.3%	32.0%	34.6%	49.5%	24.0%	16.0%
Cost burden is housing cost that equals 30 percent or more of household income. *Source: U.S. Department of Housing and Urban Development (HUD), 2018–2022 Comprehensive Housing Affordability Strategy*						

According to the table above, a considerably greater proportion of LMI homeowners are cost burdened in the assessment area compared to nonMSA Tennessee as a whole. The community contact noted that affordable housing stock for LMI families is older and in need of repairs, and as a result, home improvement loans are a credit need in the assessment area. Similarly, significantly more low-income renters are cost burdened in the assessment area compared to nonMSA Tennessee as a whole. However, moderate-income renters are less cost burdened compared to nonMSA Tennessee. Based on this information, housing costs in the assessment area appear to be less affordable than in nonMSA Tennessee as a whole, particularly for low-income households, indicating that this population may have difficulty in obtaining affordable housing in the assessment area.

Industry and Employment Demographics

The assessment area supports a strong small business sector, as evidenced by Dun & Bradstreet data indicating that 91.2 percent of assessment area businesses have gross annual revenues of $1 million or less. Furthermore, according to the U.S. Department of Labor Bureau of Labor Statistics (BLS) Quarterly Census of Employment and Wages data, there are 7,123 employees in the assessment area, including 1,170 governmental employees. By percentage of nongovernmental employees, the three largest job categories in the assessment area are manufacturing (33.5 percent), followed by construction (23.8 percent) and retail trade (10.8 percent). The table below details BLS unemployment data (not seasonally adjusted) for the assessment area and nonMSA Tennessee.

Unemployment Levels (%)			
Dataset	Time Period (Annual Average)		
	2022	2023	2024
Assessment Area	4.2%	3.8%	3.1%
NonMSA Tennessee	3.8%	3.7%	3.9%

As shown in the table above, unemployment levels in the assessment area decreased, while the unemployment levels of nonMSA Tennessee remained relatively consistent. As a result, the unemployment rate of the assessment area went from being slightly higher than the nonMSA Tennessee rate in 2022 to lower in 2024.

Community Contact Information

Information from one community contact specializing in economic development was used to help shape the performance context in which the bank's activities in this assessment area were evaluated. The interviewee categorized the local economy overall as in need. The contact believes a lack of opportunity for economic growth has led to population decline, with younger residents moving outside the assessment area to pursue employment opportunities. Manufacturing plants were recently opened in the area; however, due to complications, full-scale production and employment have been pushed back, impacting economic growth potential.

The community contact indicated there is a need for rehabilitated affordable housing. Much of the available affordable housing stock in the assessment area is in disrepair, and there is uncertainty regarding new construction plans in the area due to the previously noted manufacturing plant complications. Housing demographics for the assessment area confirm this statement, as the median age of housing stock in the assessment area (43 years) significantly exceeds the figure for nonMSA Tennessee as a whole (31 years).

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE HAYWOOD COUNTY ASSESSMENT AREA

LENDING TEST

The overall distribution of loans by borrower's income/revenue profile reflects reasonable performance among borrowers of different income levels and businesses of different revenue sizes. Furthermore, the overall geographic distribution of loans reflects excellent performance throughout the assessment area.

Loan Distribution by Borrower's Profile

Overall, the bank's loan distribution by borrower's profile is reasonable, based on performance from both loan categories reviewed. While the bank's HMDA loan distribution by borrower's profile is reasonable and performance under the small business category is excellent, greater significance is placed on performance in the HMDA loan category given the higher volume of HMDA lending.

Borrowers are classified into low-, moderate-, middle-, and upper-income categories by comparing their reported income to the applicable median family income figure as estimated by the FFIEC ($69,100 for nonMSA Tennessee as of 2024).

The following table shows the distribution of HMDA-reported loans by borrower income level in comparison to family population income demographics for the assessment area. Additionally, combined 2023 and 2024 aggregate data for the assessment area is displayed.

Borrower Distribution of HMDA Loans Assessment Area: Haywood County								
Product Type	Borrower Income Levels	2023–2024						
		Count			Dollars			Families
		Bank		HMDA Aggregate	Bank		HMDA Aggregate	
		#	%	%	$ (000s)	$ %	$ %	%
Home Purchase	Low	1	5.9%	1.8%	$60	2.1%	0.8%	22.7%
	Moderate	0	0.0%	18.3%	$0	0.0%	11.5%	22.2%
	Middle	1	5.9%	25.1%	$63	2.2%	20.4%	18.6%
	Upper	14	82.4%	32.6%	$2,284	80.4%	35.9%	36.5%
	Unknown	1	5.9%	22.2%	$433	15.2%	31.4%	0.0%
	TOTAL	**17**	**100.0%**	**100.0%**	**$2,840**	**100.0%**	**100.0%**	**100.0%**
Refinance	Low	6	27.3%	11.5%	$166	6.0%	4.7%	22.7%
	Moderate	6	27.3%	19.9%	$311	11.2%	15.0%	22.2%
	Middle	2	9.1%	24.4%	$120	4.3%	21.5%	18.6%
	Upper	7	31.8%	28.8%	$2,036	73.1%	40.3%	36.5%
	Unknown	1	4.5%	15.4%	$152	5.5%	18.5%	0.0%
	TOTAL	**22**	**100.0%**	**100.0%**	**$2,785**	**100.0%**	**100.0%**	**100.0%**

Home Improvement	Low	0	0.0%	10.3%	$0	0.0%	4.8%	22.7%
	Moderate	2	28.6%	23.1%	$57	18.3%	14.0%	22.2%
	Middle	3	42.9%	25.6%	$148	47.4%	33.0%	18.6%
	Upper	2	28.6%	38.5%	$107	34.3%	31.3%	36.5%
	Unknown	0	0.0%	2.6%	$0	0.0%	16.9%	0.0%
	TOTAL	**7**	**100.0%**	**100.0%**	**$312**	**100.0%**	**100.0%**	**100.0%**
Multifamily	Low	0	0.0%	0.0%	$0	0.0%	0.0%	N/A
	Moderate	0	0.0%	0.0%	$0	0.0%	0.0%	N/A
	Middle	1	33.3%	14.3%	$254	35.9%	3.5%	N/A
	Upper	2	66.7%	42.9%	$454	64.1%	10.4%	N/A
	Unknown	0	0.0%	42.9%	$0	0.0%	86.2%	N/A
	TOTAL	**3**	**100.0%**	**100.0%**	**$708**	**100.0%**	**100.0%**	**N/A**
Other Purpose LOC	Low	0	0.0%	6.3%	$0	0.0%	4.7%	22.7%
	Moderate	0	0.0%	6.3%	$0	0.0%	4.4%	22.2%
	Middle	0	0.0%	31.3%	$0	0.0%	32.8%	18.6%
	Upper	0	0.0%	50.0%	$0	0.0%	49.9%	36.5%
	Unknown	0	0.0%	6.3%	$0	0.0%	8.1%	0.0%
	TOTAL	**0**	**0.0%**	**100.0%**	**$0**	**0.0%**	**100.0%**	**100.0%**
Other Purpose Closed/Exempt	Low	0	0.0%	13.3%	$0	0.0%	5.6%	22.7%
	Moderate	0	0.0%	40.0%	$0	0.0%	43.4%	22.2%
	Middle	1	50.0%	20.0%	$23	26.1%	15.0%	18.6%
	Upper	1	50.0%	26.7%	$65	73.9%	36.0%	36.5%
	Unknown	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
	TOTAL	**2**	**100.0%**	**100.0%**	**$88**	**100.0%**	**100.0%**	**100.0%**
Purpose Not Applicable	Low	0	0.0%	0.0%	$0	0.0%	0.0%	22.7%
	Moderate	0	0.0%	14.3%	$0	0.0%	26.7%	22.2%
	Middle	0	0.0%	14.3%	$0	0.0%	22.7%	18.6%
	Upper	0	0.0%	0.0%	$0	0.0%	0.0%	36.5%
	Unknown	0	0.0%	71.4%	$0	0.0%	50.6%	0.0%
	TOTAL	**0**	**0.0%**	**100.0%**	**$0**	**0.0%**	**100.0%**	**100.0%**
HMDA TOTALS	Low	7	13.7%	5.8%	$226	3.4%	1.9%	22.7%
	Moderate	8	15.7%	19.1%	$368	5.5%	11.9%	22.2%
	Middle	8	15.7%	24.7%	$608	9.0%	19.7%	18.6%
	Upper	26	51.0%	32.0%	$4,946	73.5%	34.7%	36.5%
	Unknown	2	3.9%	18.5%	$585	8.7%	31.8%	0.0%
	TOTAL	**51**	**100.0%**	**100.0%**	**$6,733**	**100.0%**	**100.0%**	**100.0%**

As displayed in the preceding table, the bank's percentage of lending to low-income borrowers (13.7 percent) is well below the low-income family population figure (22.7 percent) but well above the aggregate lending level to low-income borrowers (5.8 percent), reflecting reasonable performance. The bank's level of lending to moderate-income borrowers (15.7 percent) is below the moderate-income family population percentage (22.2 percent) but similar to the aggregate lending level to moderate-income borrowers (19.1 percent), reflecting reasonable performance. Therefore, considering performance to both income categories, the bank's overall distribution of loans by borrower's profile is reasonable.

Next, small business loans were reviewed to determine the bank's lending levels to businesses of different sizes. The following table shows the distribution of 2023 and 2024 small business loans by loan amount and business revenue size compared to Dun & Bradstreet and combined 2023 and 2024 aggregate data.

Small Business Loans by Revenue and Loan Size
Assessment Area: Haywood County

Business Revenue and Loan Size			2023–2024						
			Count			Dollars			Total Businesses
			Bank		Aggregate	Bank		Aggregate	
			#	%	%	$ (000s)	$ %	$ %	%
Business Revenue		$1 Million or Less	19	90.5%	43.3%	$2,043	93.5%	27.7%	91.2%
		Over $1 Million/ Unknown	2	9.5%	56.7%	$141	6.5%	72.3%	8.8%
		TOTAL	**21**	**100.0%**	**100.0%**	**$2,184**	**100.0%**	**100.0%**	**100.0%**
Loan Size		$100,000 or Less	18	85.7%	93.0%	$911	41.7%	38.7%	
		$100,001–$250,000	2	9.5%	4.3%	$273	12.5%	21.9%	
		$250,001–$1 Million	1	4.8%	2.7%	$1,000	45.8%	39.4%	
		Over $1 Million	0	0.0%	0.0%	$0	0.0%	0.0%	
		TOTAL	**21**	**100.0%**	**100.0%**	**$2,184**	**100.0%**	**100.0%**	
Loan Size	Revenue $1 Million or Less	$100,000 or Less	16	84.2%		$770	37.7%		
		$100,001–$250,000	2	10.5%		$273	13.4%		
		$250,001–$1 Million	1	5.3%		$1,000	48.9%		
		Over $1 Million	0	0.0%		$0	0.0%		
		TOTAL	**19**	**100.0%**		**$2,043**	**100.0%**		

The bank's level of lending to small businesses is excellent. The bank originated a substantial majority of its small business loans (90.5 percent) to businesses with revenues of $1 million or less. In comparison, assessment area demographics estimate that 91.2 percent of businesses in the assessment area had annual revenues of $1 million or less, and the aggregate lending level to small businesses is 43.3 percent.

Geographic Distribution of Loans

As noted previously, the assessment area includes no low-income and two moderate-income census tracts, representing 33.3 percent of all assessment area census tracts. Overall, the bank's geographic distribution of loans in this assessment area reflects excellent performance throughout these LMI census tracts, based on the HMDA and small business loan categories. As previously stated, performance in the HMDA loan category carried the most significance when forming overall conclusions. Furthermore, based on reviews from both loan categories, the bank had loan activity in all assessment area census tracts, and no conspicuous lending gaps were noted in LMI areas. This information supports the conclusion that the bank's overall geographic distribution of loans is excellent.

The following table displays the geographic distribution of 2023 and 2024 HMDA loans compared to owner-occupied housing demographics and combined 2023 and 2024 aggregate performance for the assessment area.

Geographic Distribution of HMDA Loans Assessment Area: Haywood County								
Product Type	Tract Income Levels	2023–2024						
		Count			Dollars			Owner-Occupied Units
		Bank		HMDA Aggregate	Bank		HMDA Aggregate	
		#	%	%	$ (000s)	$ %	$ %	%
Home Purchase	Low	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
	Moderate	6	35.3%	38.7%	$831	29.3%	40.1%	25.2%
	Middle	11	64.7%	61.3%	$2,009	70.7%	59.9%	74.8%
	Upper	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
	Unknown	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
	TOTAL	**17**	**100.0%**	**100.0%**	**$2,840**	**100.0%**	**100.0%**	**100.0%**
Refinance	Low	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
	Moderate	9	40.9%	37.8%	$697	25.0%	30.8%	25.2%
	Middle	13	59.1%	62.2%	$2,088	75.0%	69.2%	74.8%
	Upper	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
	Unknown	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
	TOTAL	**22**	**100.0%**	**100.0%**	**$2,785**	**100.0%**	**100.0%**	**100.0%**
Home Improvement	Low	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
	Moderate	5	71.4%	41.0%	$260	83.3%	28.6%	25.2%
	Middle	2	28.6%	59.0%	$52	16.7%	71.4%	74.8%
	Upper	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
	Unknown	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
	TOTAL	**7**	**100.0%**	**100.0%**	**$312**	**100.0%**	**100.0%**	**100.0%**
Multifamily	Low	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
	Moderate	3	100.0%	100.0%	$708	100.0%	100.0%	68.6%
	Middle	0	0.0%	0.0%	$0	0.0%	0.0%	31.4%
	Upper	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
	Unknown	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
	TOTAL	**3**	**100.0%**	**100.0%**	**$708**	**100.0%**	**100.0%**	**100.0%**
Other Purpose LOC	Low	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
	Moderate	0	0.0%	31.3%	$0	0.0%	26.6%	25.2%
	Middle	0	0.0%	68.8%	$0	0.0%	73.4%	74.8%
	Upper	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
	Unknown	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
	TOTAL	**0**	**0.0%**	**100.0%**	**$0**	**0.0%**	**100.0%**	**100.0%**

Other Purpose Closed/Exempt	Low	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
	Moderate	0	0.0%	20.0%	$0	0.0%	19.7%	25.2%
	Middle	2	100.0%	80.0%	$88	100.0%	80.3%	74.8%
	Upper	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
	Unknown	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
	TOTAL	**2**	**100.0%**	**100.0%**	**$88**	**100.0%**	**100.0%**	**100.0%**
Purpose Not Applicable	Low	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
	Moderate	0	0.0%	42.9%	$0	0.0%	28.7%	25.2%
	Middle	0	0.0%	57.1%	$0	0.0%	71.3%	74.8%
	Upper	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
	Unknown	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
	TOTAL	**0**	**0.0%**	**100.0%**	**$0**	**0.0%**	**100.0%**	**100.0%**
HMDA TOTALS	Low	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
	Moderate	23	45.1%	38.7%	$2,496	37.1%	42.0%	25.2%
	Middle	28	54.9%	61.3%	$4,237	62.9%	58.0%	74.8%
	Upper	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
	Unknown	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
	TOTAL	**51**	**100.0%**	**100.0%**	**$6,733**	**100.0%**	**100.0%**	**100.0%**

The analysis of HMDA loans revealed excellent lending performance to borrowers residing in moderate-income geographies. The bank's total penetration of moderate-income census tracts by number of loans (45.1 percent) is significantly above the percentage of owner-occupied housing units in moderate-income census tracts (25.2 percent). Similarly, the bank's performance in moderate-income census tracts is significantly above other lenders in the assessment area based on HMDA aggregate data, which indicate that 38.7 percent of aggregate HMDA loans made inside this assessment area were made to borrowers residing in moderate-income geographies.

Second, the bank's geographic distribution of small business loans was reviewed. The following table displays 2023 and 2024 small business loan activity by geography income level compared to the location of businesses throughout the bank's assessment area and combined 2023 and 2024 small business aggregate data.

Geographic Distribution of Small Business Loans Assessment Area: Haywood County							
Tract Income Levels	**2023–2024**						
	Count			**Dollars**			**Businesses**
	Bank		**Aggregate**	**Bank**		**Aggregate**	
	#	**%**	**%**	**$ (000s)**	**$ %**	**$ %**	**%**
Low	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
Moderate	10	47.6%	47.3%	$775	35.5%	70.5%	57.6%
Middle	11	52.4%	52.1%	$1,409	64.5%	29.5%	42.4%
Upper	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.6%	$0	0.0%	0.1%	0.0%
TOTAL	**21**	**100.0%**	**100.0%**	**$2,184**	**100.0%**	**100.0%**	**100.0%**

The bank's percentage of loans in moderate-income census tracts (47.6 percent) is similar to the aggregate lending percentage in moderate-income census tracts (47.3 percent) and below the percentage of businesses operating in these moderate-income geographies (57.6 percent), reflecting reasonable performance. Therefore, the bank's overall geographic distribution of small business loans is reasonable.

COMMUNITY DEVELOPMENT TEST

The bank demonstrates adequate responsiveness to community development needs within the Haywood County assessment area, considering the bank's capacity and the need and availability of such opportunities for community development. The bank has addressed the needs of the assessment area through community development loans, qualified investments, and community development services.

During the review period, the bank made 44 community development loans totaling $14.8 million in this assessment area. A majority of those loans were made to businesses and farms in the area to provide economic development assistance and revitalize and stabilize the area.

The bank retained one $296,555 investment made in a prior period, which was a bond to improve essential city infrastructure, revitalizing/stabilizing moderate-income and distressed middle-income geographies in this assessment area. Additionally, the bank made 14 donations totaling $48,890 in this assessment area that primarily went to community service entities and qualified schools benefiting the LMI population in this assessment area. Finally, 19 bank employees provided 83 hours of service to seven total community development organizations and qualified schools in this assessment area.

MEMPHIS, TENNESSEE-MISSISSIPPI-ARKANSAS METROPOLITAN STATISTICAL AREA

(Full-Scope Review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE PARTIAL MEMPHIS MSA ASSESSMENT AREA

Bank Structure

The bank operates four branches in this assessment area, representing 57.1 percent of total branches. Of the four branches, two are located in Tipton County and two are located in Shelby County. One of the two branches in Shelby County is located in a moderate-income census tract area, while one of the two branches in Tipton County is located directly across the street from a moderate-income census tract. Since the last evaluation, the bank did not open or close any branches in this assessment area; however, one branch in Shelby County was relocated in March 2026. Both the previous and current locations were located in upper-income census tracts.

General Demographics

The assessment area consists of Shelby and Tipton counties in their entirety. Based on 2020 ACS data, the assessment area population was 990,714, with the vast majority of the population residing in Shelby County (929,744). This assessment area is a highly competitive banking market, with 35 FDIC-insured depository institutions in the assessment area that operate 221 offices. The bank ranked 20th in terms of deposit market share, with 0.8 percent of total assessment area deposit dollars.

The assessment area covers a wide metropolitan area with a diverse population. As a result, credit needs in the area vary and include a blend of consumer and business credit products. Specific credit-related needs, as noted primarily by a community contact, include financial education, better access to delivery systems in LMI areas, and affordable housing.

Income and Wealth Demographics

The following table summarizes the distribution of assessment area census tracts by income level and the family population within those tracts.

Assessment Area Demographics by Geography Income Level						
Dataset	**Low-**	**Moderate-**	**Middle-**	**Upper-**	**Unknown-**	**TOTAL**
Census Tracts	51	68	57	74	12	**262**
	19.5%	26.0%	21.8%	28.2%	4.6%	**100.0%**
Family Population	30,319	58,655	57,261	88,718	1,228	**236,181**
	12.8%	24.8%	24.2%	37.6%	0.5%	**100.0%**

As shown above, 45.5 percent of the census tracts in the assessment area are LMI geographies, but only 37.6 percent of the family population resides in these tracts. While almost all of these LMI geographies are concentrated in and around Memphis (Shelby County), there is one moderate-income census tract located in Tipton County.

Based on 2020 ACS data, the median family income for the assessment area was $67,363. At the same time, the median family income for Tennessee was $68,793. More recently, the FFIEC estimates the 2024 median family income for the Memphis MSA to be $83,000. The following table displays population percentages of assessment area families by income level compared to the full Memphis MSA and Tennessee family populations.

Family Population by Income Level					
Dataset	**Low-**	**Moderate-**	**Middle-**	**Upper-**	**TOTAL**
Assessment Area	57,386	37,404	41,940	99,451	**236,181**
	24.3%	15.8%	17.8%	42.1%	**100.0%**
Memphis MSA	77,551	53,287	59,775	138,768	**329,381**
	23.5%	16.2%	18.1%	42.1%	**100.0%**
Tennessee	361,831	302,739	350,399	711,970	**1,726,939**
	21.0%	17.5%	20.3%	41.2%	**100%**

As shown in the table above, 40.1 percent of families within the assessment area were considered LMI, which is slightly higher than LMI family percentages of 39.7 percent in the Memphis MSA and 38.5 percent in Tennessee. The percentage of families living below the poverty level in the assessment area (13.9 percent) is slightly above the 13.1 percent level in the Memphis MSA and above the 10.6 percent level in the state of Tennessee. Considering these factors, families in the assessment area appear to be slightly less affluent than those in the entire MSA and statewide Tennessee as a whole.

Housing Demographics

Housing demographic information is displayed in the following table for the assessment area, the Memphis MSA, and the state of Tennessee.

Housing Cost Burden (%)						
Area	**Cost Burden – Renters**			**Cost Burden – Owners**		
	Low Income	**Moderate Income**	**All Renters**	**Low Income**	**Moderate Income**	**All Owners**
Assessment Area	79.0%	53.6%	47.8%	65.3%	35.2%	19.7%
Shelby County	79.1%	54.4%	48.3%	66.1%	36.6%	20.1%
Tipton County	74.9%	30.9%	33.5%	55.8%	21.7%	15.3%
Memphis MSA	78.4%	52.5%	46.8%	64.9%	33.5%	19.3%
Tennessee	73.0%	46.1%	41.5%	55.2%	28.5%	16.8%
Cost burden is housing cost that equals 30 percent or more of household income. *Source: U.S. Department of Housing and Urban Development (HUD), 2018–2022 Comprehensive Housing Affordability Strategy*						

According to the table above, the percentage of LMI renters and homeowners that are cost burdened in the assessment area is comparable to the percentage in the Memphis MSA but greater than the percentage in the state of Tennessee as a whole. In addition, the table shows LMI renters and homeowners in Shelby County experience more cost burden than those in Tipton County. A community contact further reiterated this point and suggested there was a particular need for affordable housing in underserved areas of Shelby County.

Industry and Employment Demographics

The assessment area supports a large and diverse business community, including a strong small business sector, as evidenced by Dun & Bradstreet data indicating that 90.8 percent of assessment area businesses have gross annual revenues of $1 million or less. Furthermore, according to the BLS Quarterly Census of Employment and Wages data, there are 485,012 employees in the assessment area (including 64,769 governmental employees). By percentage of nongovernmental employees, the three largest job categories in the assessment area are healthcare and social assistance (17.8 percent), followed by transportation and warehousing (15.4 percent) and retail trade (10.7 percent). The table below details BLS unemployment data (not seasonally adjusted) for the assessment area, the Memphis MSA, and Tennessee.

Unemployment Levels (%)			
Dataset	Time Period (Annual Average)		
	2022	2023	2024
Assessment Area	4.4%	4.1%	4.4%
Memphis MSA	4.1%	3.8%	4.1%
Tennessee	3.4%	3.2%	3.4%

As shown in the table above, the assessment area consistently had higher unemployment levels than the Memphis MSA and Tennessee throughout the review period.

Community Contact Information

Information from one community contact specializing in economic development was used to help shape the performance context in which the bank's activities in this assessment area were evaluated. The contact categorized the local economy overall as stable. Specifically, the contact noted a need for high-quality jobs and business development programs in Shelby County. There are many small businesses in the area, but several struggle with access to banking due to poor credit and a lack of capital. Community Development Financial Institutions and community organizations in the area are increasing and able to meet more of the small business needs in the area.

Additionally, the contact noted a need for affordable housing in LMI geographies. According to the contact, predatory lending in LMI geographies is high due to a lack of bank branches and bank-sponsored ATMs in the assessment area. A need for reliable transportation in these LMI geographies exacerbates this issue.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE PARTIAL MEMPHIS MSA ASSESSMENT AREA

LENDING TEST

The bank's overall distribution of loans by borrower's income/revenue profile reflects reasonable penetration among borrowers of different income levels and businesses of different revenue sizes. Furthermore, the overall geographic distribution of loans reflects reasonable penetration throughout the assessment area.

Loan Distribution by Borrower's Profile

Overall, the bank's loan distribution by borrower's profile is reasonable, based on performance from both loan categories reviewed. Borrowers are classified into low-, moderate-, middle-, and upper-income categories according to their reported income compared to the applicable median family income figure as estimated by the FFIEC ($83,000 for the Memphis MSA as of 2024).

The following table shows the distribution of HMDA-reported loans by borrower income level in comparison to family population income demographics for the assessment area. Additionally, combined 2023 and 2024 aggregate data for the assessment area is displayed.

Borrower Distribution of HMDA Loans Assessment Area: Partial Memphis MSA								
Product Type	Borrower Income Levels	2023–2024						
		Count			Dollars			Families
		Bank		HMDA Aggregate	Bank		HMDA Aggregate	
		#	%	%	$ (000s)	$ %	$ %	%
Home Purchase	Low	0	0.0%	3.3%	$0	0.0%	1.4%	24.4%
	Moderate	1	2.9%	13.7%	$48	0.7%	8.4%	15.9%
	Middle	2	5.7%	17.4%	$212	3.2%	14.9%	17.8%
	Upper	11	31.4%	39.9%	$2,416	36.6%	50.1%	42.0%
	Unknown	21	60.0%	25.7%	$3,917	59.4%	25.2%	0.0%
	TOTAL	**35**	**100.0%**	**100.0%**	**$6,593**	**100.0%**	**100.0%**	**100.0%**
Refinance	Low	6	21.4%	7.4%	$420	10.5%	3.0%	24.4%
	Moderate	4	14.3%	14.5%	$215	5.4%	9.3%	15.9%
	Middle	2	7.1%	18.2%	$272	6.8%	14.7%	17.8%
	Upper	6	21.4%	32.2%	$1,052	26.3%	37.0%	42.0%
	Unknown	10	35.7%	27.6%	$2,045	51.1%	36.0%	0.0%
	TOTAL	**28**	**100.0%**	**100.0%**	**$4,004**	**100.0%**	**100.0%**	**100.0%**

Home Improvement	Low	3	75.0%	7.2%	$134	72.8%	2.7%	24.4%
	Moderate	0	0.0%	15.6%	$0	0.0%	7.8%	15.9%
	Middle	0	0.0%	21.2%	$0	0.0%	15.0%	17.8%
	Upper	1	25.0%	50.4%	$50	27.2%	68.6%	42.0%
	Unknown	0	0.0%	5.5%	$0	0.0%	6.0%	0.0%
	TOTAL	**4**	**100.0%**	**100.0%**	**$184**	**100.0%**	**100.0%**	**100.0%**
Multifamily	Low	0	0.0%	0.0%	$0	0.0%	0.0%	N/A
	Moderate	0	0.0%	0.0%	$0	0.0%	0.0%	N/A
	Middle	0	0.0%	0.0%	$0	0.0%	0.0%	N/A
	Upper	1	33.3%	4.2%	$3,870	77.1%	1.5%	N/A
	Unknown	2	66.7%	95.8%	$1,148	22.9%	98.5%	N/A
	TOTAL	**3**	**100.0%**	**100.0%**	**$5,018**	**100.0%**	**100.0%**	**N/A**
Other Purpose LOC	Low	0	0.0%	4.9%	$0	0.0%	2.1%	24.4%
	Moderate	0	0.0%	12.1%	$0	0.0%	6.2%	15.9%
	Middle	0	0.0%	22.3%	$0	0.0%	14.3%	17.8%
	Upper	0	0.0%	56.3%	$0	0.0%	73.7%	42.0%
	Unknown	0	0.0%	4.4%	$0	0.0%	3.7%	0.0%
	TOTAL	**0**	**0.0%**	**100.0%**	**$0**	**0.0%**	**100.0%**	**100.0%**
Other Purpose Closed/Exempt	Low	0	0.0%	7.9%	$0	0.0%	4.3%	24.4%
	Moderate	0	0.0%	13.3%	$0	0.0%	8.1%	15.9%
	Middle	0	0.0%	21.5%	$0	0.0%	14.7%	17.8%
	Upper	0	0.0%	49.6%	$0	0.0%	64.0%	42.0%
	Unknown	0	0.0%	7.6%	$0	0.0%	8.9%	0.0%
	TOTAL	**0**	**0.0%**	**100.0%**	**$0**	**0.0%**	**100.0%**	**100.0%**
Purpose Not Applicable	Low	0	0.0%	3.5%	$0	0.0%	0.8%	24.4%
	Moderate	0	0.0%	2.1%	$0	0.0%	1.5%	15.9%
	Middle	0	0.0%	0.7%	$0	0.0%	2.0%	17.8%
	Upper	0	0.0%	1.4%	$0	0.0%	2.2%	42.0%
	Unknown	0	0.0%	92.3%	$0	0.0%	93.5%	0.0%
	TOTAL	**0**	**0.0%**	**100.0%**	**$0**	**0.0%**	**100.0%**	**100.0%**
HMDA TOTALS	Low	9	12.9%	4.7%	$554	3.5%	1.7%	24.4%
	Moderate	5	7.1%	13.8%	$263	1.7%	7.7%	15.9%
	Middle	4	5.7%	17.9%	$484	3.1%	13.4%	17.8%
	Upper	19	27.1%	39.3%	$7,388	46.8%	43.8%	42.0%
	Unknown	33	47.1%	24.3%	$7,110	45.0%	33.4%	0.0%
	TOTAL	**70**	**100.0%**	**100.0%**	**$15,799**	**100.0%**	**100.0%**	**100.0%**

As displayed in the preceding table, the bank's percentage of lending to low-income borrowers (12.9 percent) is below the low-income family population figure (24.4 percent) but well above the aggregate lending level to low-income borrowers (4.7 percent), reflecting reasonable performance.

The bank's level of lending to moderate-income borrowers (7.1 percent) is well below the moderate-income family population percentage (15.9 percent) and the aggregate lending level to moderate-income borrowers (13.8 percent), reflecting poor performance. Considering performance in both income categories, the bank's overall distribution of loans by borrower's profile is reasonable.

Next, small business loans were reviewed to determine the bank's lending levels to businesses of different sizes. The following table shows the distribution of 2023 and 2024 small business loans by loan amount and business revenue size compared to Dun & Bradstreet and combined 2023 and 2024 aggregate data.

Small Business Loans by Revenue and Loan Size
Assessment Area: Partial Memphis MSA

Business Revenue and Loan Size			2023–2024						
			Count			Dollars			Total Businesses
			Bank		Aggregate	Bank		Aggregate	
			#	%	%	$ (000s)	$ %	$ %	%
Business Revenue		$1 Million or Less	31	81.6%	47.4%	$4,131	67.4%	29.6%	90.7%
		Over $1 Million/ Unknown	7	18.4%	52.6%	$1,999	32.6%	70.4%	9.3%
		TOTAL	**38**	**100.0%**	**100.0%**	**$6,130**	**100.0%**	**100.0%**	**100.0%**
Loan Size		$100,000 or Less	23	60.5%	91.8%	$576	9.4%	32.4%	
		$100,001–$250,000	7	18.4%	4.4%	$1,243	20.3%	17.7%	
		$250,001–$1 Million	8	21.1%	3.8%	$4,311	70.3%	49.9%	
		Over $1 Million	0	0.0%	0.0%	$0	0.0%	0.0%	
		TOTAL	**38**	**100.0%**	**100.0%**	**$6,130**	**100.0%**	**100.0%**	
Loan Size	Revenue $1 Million or Less	$100,000 or Less	22	71.0%		$566	13.7%		
		$100,001–$250,000	4	12.9%		$729	17.6%		
		$250,001–$1 Million	5	16.1%		$2,836	68.7%		
		Over $1 Million	0	0.0%		$0	0.0%		
		TOTAL	**31**	**100.0%**		**$4,131**	**100.0%**		

The bank's level of lending to small businesses is reasonable. The bank originated the majority of its small business loans (81.6 percent) to businesses with revenues of $1 million or less. In comparison, assessment area demographics estimate that 90.7 percent of businesses in the assessment area had annual revenues of $1 million or less, and the aggregate lending level to small businesses is 47.4 percent.

<u>Geographic Distribution of Loans</u>

As noted previously, the assessment area includes 51 low-income and 68 moderate-income census tracts, representing 45.5 percent of all assessment area census tracts. While the bank's geographic distribution of HMDA loans is reasonable and performance under the small business category is poor, greater significance is placed on performance in the HMDA loan category given the bank's higher volume of HMDA lending. Overall, the bank's geographic distribution of loans in this assessment area reflects reasonable penetration throughout these LMI census tracts, based on both of the loan categories. Additionally, an analysis of the bank's loan dispersion did not reveal evidence of conspicuous lending gaps, as the bank's loan penetration in the assessment area was consistent with its branch structure and the location of its branch facilities.

The following table displays the geographic distribution of 2023 and 2024 HMDA loans compared to owner-occupied housing demographics and combined 2023 and 2024 aggregate performance for the assessment area.

Geographic Distribution of HMDA Loans Assessment Area: Partial Memphis MSA								
Product Type	**Tract Income Levels**	**2023–2024**						
		Count			**Dollars**			**Owner-Occupied Units**
		Bank		**HMDA Aggregate**	**Bank**		**HMDA Aggregate**	
		#	**%**	**%**	**$ (000s)**	**$ %**	**$ %**	**%**
Home Purchase	Low	0	0.0%	7.3%	$0	0.0%	3.2%	8.3%
	Moderate	9	25.7%	19.1%	$1,196	18.1%	10.5%	22.0%
	Middle	18	51.4%	26.4%	$3,442	52.2%	22.8%	25.6%
	Upper	8	22.9%	46.8%	$1,955	29.7%	63.2%	43.7%
	Unknown	0	0.0%	0.3%	$0	0.0%	0.3%	0.4%
	TOTAL	**35**	**100.0%**	**100.0%**	**$6,593**	**100.0%**	**100.0%**	**100.0%**
Refinance	Low	2	7.1%	8.8%	$187	4.7%	4.3%	8.3%
	Moderate	6	21.4%	21.1%	$754	18.8%	12.2%	22.0%
	Middle	12	42.9%	28.1%	$1,608	40.2%	24.0%	25.6%
	Upper	8	28.6%	41.6%	$1,455	36.3%	59.3%	43.7%
	Unknown	0	0.0%	0.3%	$0	0.0%	0.2%	0.4%
	TOTAL	**28**	**100.0%**	**100.0%**	**$4,004**	**100.0%**	**100.0%**	**100.0%**
Home Improvement	Low	0	0.0%	6.4%	$0	0.0%	3.0%	8.3%
	Moderate	1	25.0%	17.4%	$12	6.5%	9.5%	22.0%
	Middle	3	75.0%	24.2%	$172	93.5%	19.2%	25.6%
	Upper	0	0.0%	51.8%	$0	0.0%	68.1%	43.7%
	Unknown	0	0.0%	0.2%	$0	0.0%	0.2%	0.4%
	TOTAL	**4**	**100.0%**	**100.0%**	**$184**	**100.0%**	**100.0%**	**100.0%**
Multifamily	Low	0	0.0%	35.7%	$0	0.0%	37.3%	24.3%
	Moderate	1	33.3%	23.8%	$490	9.8%	18.9%	23.8%
	Middle	1	33.3%	26.2%	$3,870	77.1%	18.2%	21.9%
	Upper	1	33.3%	11.3%	$658	13.1%	25.2%	27.0%
	Unknown	0	0.0%	3.0%	$0	0.0%	0.4%	2.9%
	TOTAL	**3**	**100.0%**	**100.0%**	**$5,018**	**100.0%**	**100.0%**	**100.0%**
Other Purpose LOC	Low	0	0.0%	3.6%	$0	0.0%	1.9%	8.3%
	Moderate	0	0.0%	11.6%	$0	0.0%	5.9%	22.0%
	Middle	0	0.0%	23.6%	$0	0.0%	15.3%	25.6%
	Upper	0	0.0%	61.0%	$0	0.0%	76.8%	43.7%
	Unknown	0	0.0%	0.2%	$0	0.0%	0.1%	0.4%
	TOTAL	**0**	**0.0%**	**100.0%**	**$0**	**0.0%**	**100.0%**	**100.0%**

Other Purpose Closed/Exempt	Low	0	0.0%	5.2%	$0	0.0%	3.1%	8.3%
	Moderate	0	0.0%	14.2%	$0	0.0%	10.0%	22.0%
	Middle	0	0.0%	27.4%	$0	0.0%	19.5%	25.6%
	Upper	0	0.0%	53.0%	$0	0.0%	67.2%	43.7%
	Unknown	0	0.0%	0.2%	$0	0.0%	0.2%	0.4%
	TOTAL	**0**	**0.0%**	**100.0%**	**$0**	**0.0%**	**100.0%**	**100.0%**
Purpose Not Applicable	Low	0	0.0%	10.9%	$0	0.0%	3.8%	8.3%
	Moderate	0	0.0%	35.1%	$0	0.0%	41.2%	22.0%
	Middle	0	0.0%	31.6%	$0	0.0%	27.8%	25.6%
	Upper	0	0.0%	21.4%	$0	0.0%	27.0%	43.7%
	Unknown	0	0.0%	1.1%	$0	0.0%	0.1%	0.4%
	TOTAL	**0**	**0.0%**	**100.0%**	**$0**	**0.0%**	**100.0%**	**100.0%**
HMDA TOTALS	Low	2	2.9%	7.6%	$187	1.2%	6.6%	8.3%
	Moderate	17	24.3%	19.2%	$2,452	15.5%	11.6%	22.0%
	Middle	34	48.6%	26.6%	$9,092	57.5%	22.4%	25.6%
	Upper	17	24.3%	46.3%	$4,068	25.7%	59.1%	43.7%
	Unknown	0	0.0%	0.3%	$0	0.0%	0.3%	0.4%
	TOTAL	**70**	**100.0%**	**100.0%**	**$15,799**	**100.0%**	**100.0%**	**100.0%**

The bank's total penetration in low-income census tracts by number of loans (2.9 percent) is below the percentage of owner-occupied housing units in low-income geographies (8.3 percent) and aggregate performance (7.6 percent), reflecting poor performance. Conversely, the bank's total penetration in moderate-income census tracts by number of loans (24.3 percent) is above the percentage of owner-occupied housing units in moderate-income geographies (22.0 percent) and above aggregate performance (19.2 percent), reflecting excellent performance. When considering the bank's overall performance across both income categories, the geographic distribution of HMDA loans is reasonable.

Second, the bank's geographic distribution of small business loans was reviewed. The following table displays 2023 and 2024 small business loan activity by geography income level compared to the location of businesses throughout the bank's assessment area and combined 2023 and 2024 small business aggregate data.

Geographic Distribution of Small Business Loans Assessment Area: Partial Memphis MSA							
Tract Income Levels	**2023–2024**						
	Count			**Dollars**			**Businesses**
	Bank		**Aggregate**	**Bank**		**Aggregate**	
	#	**%**	**%**	**$ (000s)**	**$ %**	**$ %**	**%**
Low	0	0.0%	8.7%	$0	0.0%	11.4%	10.8%
Moderate	3	7.9%	19.8%	$902	14.7%	21.2%	23.2%
Middle	24	63.2%	19.7%	$2,767	45.2%	15.8%	21.7%
Upper	11	28.9%	49.2%	$2,459	40.1%	45.6%	41.7%
Unknown	0	0.0%	2.7%	$0	0.0%	5.9%	2.6%
TOTAL	**38**	**100.0%**	**100.0%**	**$6,128**	**100.0%**	**100.0%**	**100.0%**

The bank did not make any loans in low-income census tracts, which is well below the aggregate lending percentage in low-income census tracts (8.7 percent) and the percentage of businesses in moderate-income census tracts (10.8 percent), reflecting poor performance. The bank's percentage of loans in moderate-income census tracts (7.9 percent) is well below the aggregate lending percentage in moderate-income census tracts (19.8 percent) and the percentage of businesses in moderate-income census tracts (23.2 percent), reflecting poor performance. Therefore, the bank's overall geographic distribution of small business loans is poor.

COMMUNITY DEVELOPMENT TEST

The bank demonstrates poor responsiveness to community development needs within the assessment area, considering the bank's capacity and the need and availability of such opportunities for community development.

During the review period, the bank made six community development loans totaling $127,564 in this assessment area. A majority of those loans were made to a community service organization; other loans were to small businesses. Additionally, 17 bank employees provided 349 hours of service to seven total community development organizations and qualified schools in this assessment area. Finally, the bank made 63 donations totaling $250,016 in this assessment area that primarily went to community service entities and qualified schools benefiting the LMI population in this assessment area. However, the bank made no qualifying investments in this assessment area.

JACKSON, TENNESSEE METROPOLITAN STATISTICAL AREA

(Limited-Scope Review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE MADISON COUNTY ASSESSMENT AREA

This assessment area includes the entirety of Madison County, and the bank operates one office in this assessment area, which was converted from an LPO to a full-service branch during the review period. The tables below detail key demographics relating to this assessment area.

Assessment Area Demographics by Population Income Level					
Demographic Type	**Population Income Level**				**TOTAL**
	Low-	**Moderate-**	**Middle-**	**Upper-**	
Family Population	5,794	3,606	4,840	10,422	**24,662**
	23.5%	14.6%	19.6%	42.3%	**100.0%**
Household Population	9,946	5,227	7,090	16,003	**38,266**
	26.0%	13.7%	18.5%	41.8%	**100.0%**

Assessment Area Demographics by Geography Income Level						
Dataset	**Geography Income Level**					**TOTAL**
	Low-	**Moderate-**	**Middle-**	**Upper-**	**Unknown-**	
Census Tracts	4	4	9	10	1	**28**
	14.3%	14.3%	32.1%	35.7%	3.6%	**100.0%**
Family Population	2,007	3,306	9,891	9,388	70	**24,662**
	8.1%	13.4%	40.1%	38.1%	0.3%	**100.0%**
Household Population	3,795	5,539	15,816	12,533	583	**38,266**
	9.9%	14.5%	41.3%	32.8%	1.5%	**100.0%**
Business Institutions	173	368	1,668	1,086	274	**3,569**
	4.8%	10.3%	46.7%	30.4%	7.7%	**100.0%**

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE MADISON COUNTY ASSESSMENT AREA

LENDING TEST

The bank's Lending Test performance in this assessment area is consistent with the bank's Lending Test performance in the assessment areas that were reviewed using full-scope procedures, as detailed in the following table. For more detailed information relating to the bank's Lending Test performance in this assessment area, see the tables in *Appendix B*.

Lending Test Criteria	Performance
Distribution of Loans by Borrower's Profile	Consistent
Geographic Distribution of Loans	Consistent
OVERALL	**CONSISTENT**

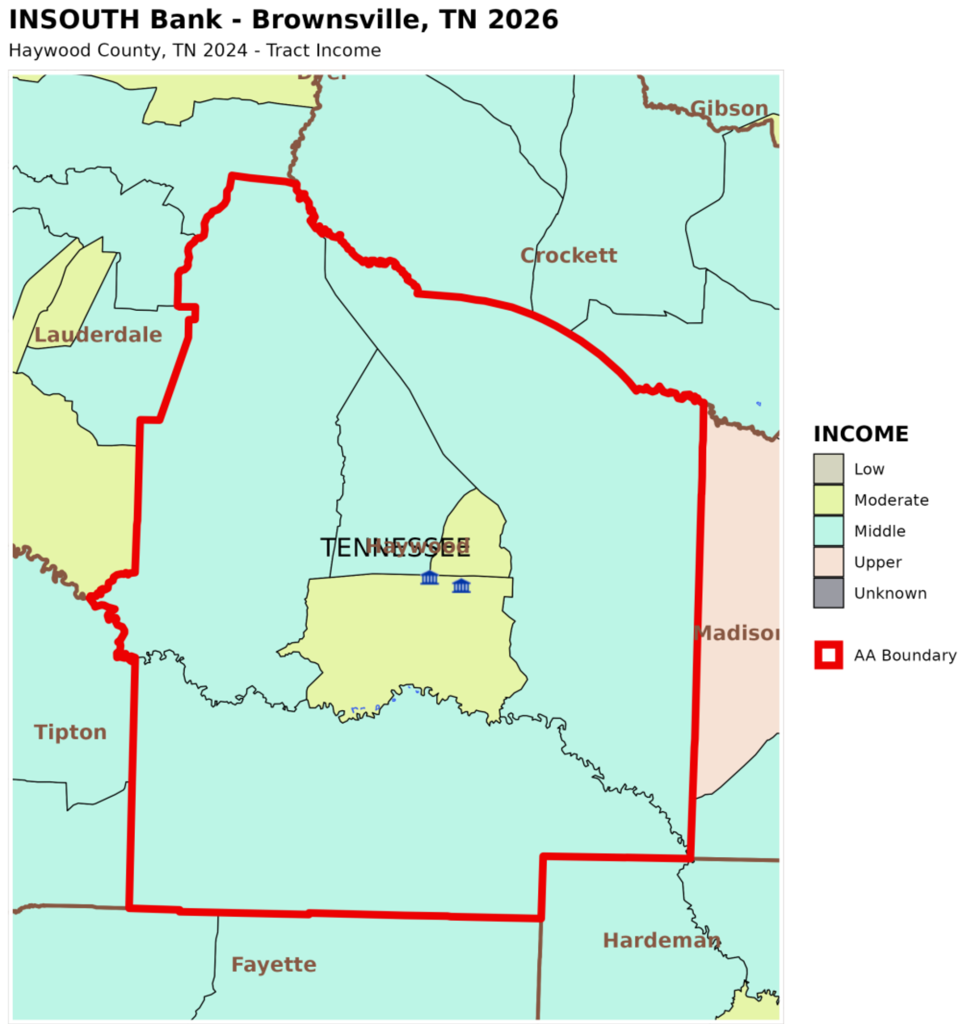
COMMUNITY DEVELOPMENT TEST

The bank's Community Development Test performance in this assessment area is consistent with the bank's overall Community Development Test performance for the assessment areas reviewed using full-scope procedures.

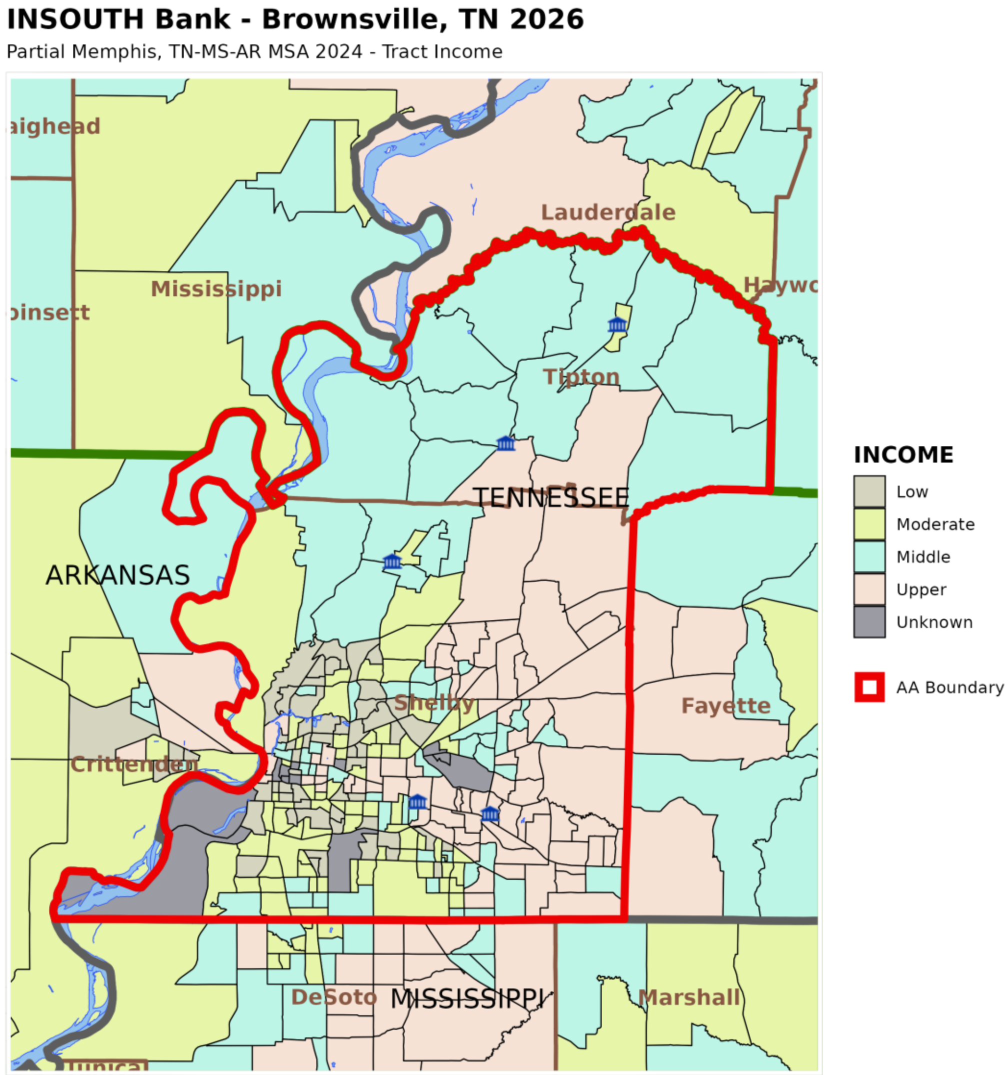
During the review period, the bank made one community development donation totaling $3,000 to an economic development organization. Additionally, two employees provided six hours of services to one local high school where the majority of students are eligible for free or reduced-price lunch.

MAPS OF ASSESSMENT AREAS

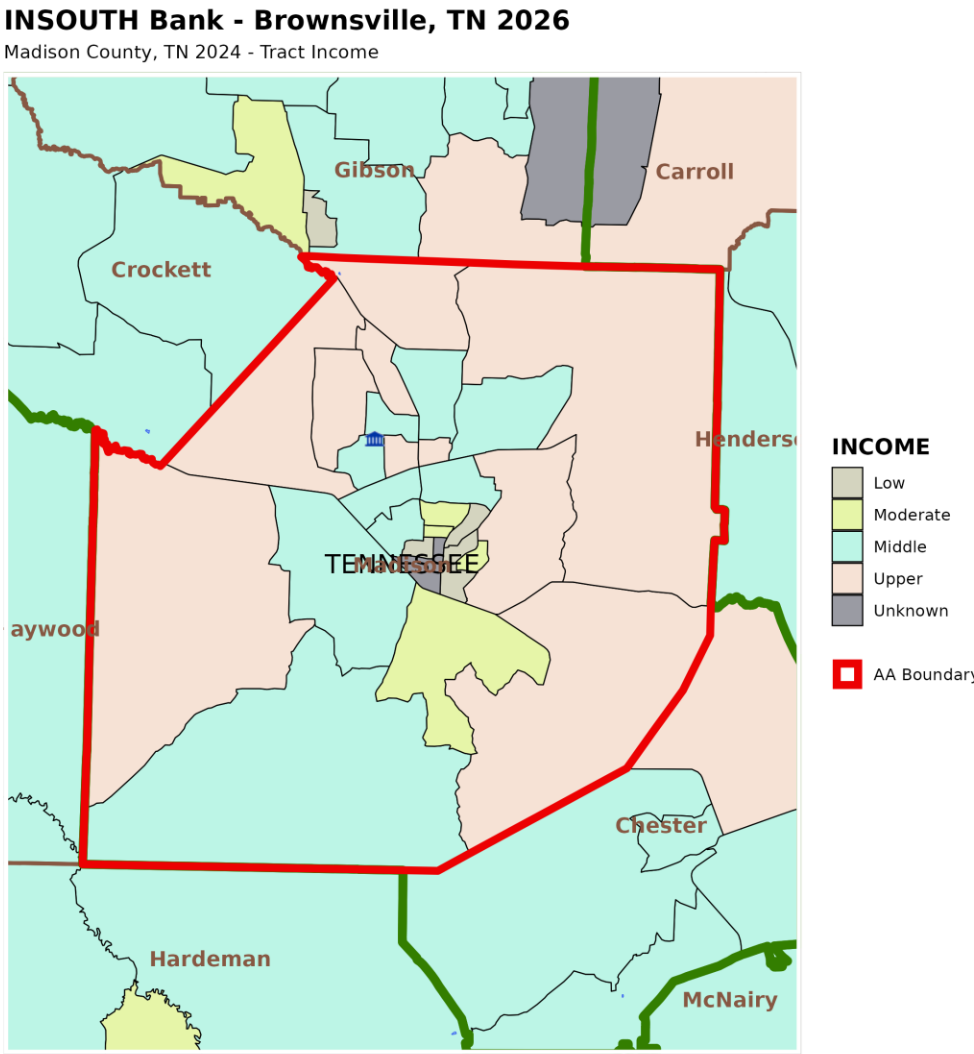
<u>Haywood County Assessment Area</u>



Partial Memphis MSA Assessment Area



Madison County Assessment Area



LENDING PERFORMANCE TABLES FOR LIMITED-SCOPE REVIEW ASSESSMENT AREAS

Madison County Assessment Area

Borrower Distribution of HMDA Loans Assessment Area: Madison County								
Product Type	Borrower Income Levels	2023–2024						
		Count			Dollars			Families
		Bank		HMDA Aggregate	Bank		HMDA Aggregate	
		#	%	%	$ (000s)	$ %	$ %	%
Home Purchase	Low	0	0.0%	3.1%	$0	0.0%	1.4%	23.5%
	Moderate	4	25.0%	13.8%	$363	14.7%	9.0%	14.6%
	Middle	5	31.3%	22.6%	$831	33.6%	19.2%	19.6%
	Upper	3	18.8%	33.1%	$542	21.9%	41.9%	42.3%
	Unknown	4	25.0%	27.3%	$738	29.8%	28.6%	0.0%
	TOTAL	**16**	**100.0%**	**100.0%**	**$2,474**	**100.0%**	**100.0%**	**100.0%**
Refinance	Low	1	16.7%	8.4%	$54	4.1%	4.0%	23.5%
	Moderate	0	0.0%	17.6%	$0	0.0%	13.4%	14.6%
	Middle	1	16.7%	22.6%	$216	16.4%	19.7%	19.6%
	Upper	4	66.7%	31.2%	$1,051	79.6%	34.5%	42.3%
	Unknown	0	0.0%	20.1%	$0	0.0%	28.4%	0.0%
	TOTAL	**6**	**100.0%**	**100.0%**	**$1,321**	**100.0%**	**100.0%**	**100.0%**
Home Improvement	Low	0	0.0%	6.0%	$0	0.0%	2.5%	23.5%
	Moderate	0	0.0%	14.6%	$0	0.0%	9.3%	14.6%
	Middle	0	0.0%	25.6%	$0	0.0%	19.7%	19.6%
	Upper	1	100.0%	48.9%	$86	100.0%	60.7%	42.3%
	Unknown	0	0.0%	5.0%	$0	0.0%	7.8%	0.0%
	TOTAL	**1**	**100.0%**	**100.0%**	**$86**	**100.0%**	**100.0%**	**100.0%**
Multifamily	Low	0	0.0%	0.0%	$0	0.0%	0.0%	N/A
	Moderate	0	0.0%	0.0%	$0	0.0%	0.0%	N/A
	Middle	0	0.0%	0.0%	$0	0.0%	0.0%	N/A
	Upper	0	0.0%	18.9%	$0	0.0%	14.6%	N/A
	Unknown	0	0.0%	81.1%	$0	0.0%	85.4%	N/A
	TOTAL	**0**	**0.0%**	**100.0%**	**$0**	**0.0%**	**100.0%**	**N/A**
Other Purpose LOC	Low	0	0.0%	6.7%	$0	0.0%	4.1%	23.5%
	Moderate	0	0.0%	14.5%	$0	0.0%	9.1%	14.6%
	Middle	0	0.0%	24.1%	$0	0.0%	18.5%	19.6%
	Upper	0	0.0%	53.2%	$0	0.0%	67.3%	42.3%
	Unknown	0	0.0%	1.4%	$0	0.0%	0.9%	0.0%
	TOTAL	**0**	**0.0%**	**100.0%**	**$0**	**0.0%**	**100.0%**	**100.0%**

Other Purpose Closed/Exempt	Low	0	0.0%	12.4%	$0	0.0%	8.5%	23.5%
	Moderate	0	0.0%	18.6%	$0	0.0%	11.2%	14.6%
	Middle	0	0.0%	19.5%	$0	0.0%	13.3%	19.6%
	Upper	1	100.0%	46.0%	$26	100.0%	63.1%	42.3%
	Unknown	0	0.0%	3.5%	$0	0.0%	3.9%	0.0%
	TOTAL	**1**	**100.0%**	**100.0%**	**$26**	**100.0%**	**100.0%**	**100.0%**
Purpose Not Applicable	Low	0	0.0%	33.3%	$0	0.0%	29.0%	23.5%
	Moderate	0	0.0%	3.3%	$0	0.0%	4.7%	14.6%
	Middle	0	0.0%	0.0%	$0	0.0%	0.0%	19.6%
	Upper	0	0.0%	0.0%	$0	0.0%	0.0%	42.3%
	Unknown	0	0.0%	63.3%	$0	0.0%	66.3%	0.0%
	TOTAL	**0**	**0.0%**	**100.0%**	**$0**	**0.0%**	**100.0%**	**100.0%**
HMDA TOTALS	Low	1	4.2%	5.3%	$54	1.4%	2.1%	23.5%
	Moderate	4	16.7%	14.8%	$363	9.3%	9.7%	14.6%
	Middle	6	25.0%	22.6%	$1,047	26.8%	18.5%	19.6%
	Upper	9	37.5%	35.2%	$1,705	43.6%	40.7%	42.3%
	Unknown	4	16.7%	22.2%	$738	18.9%	29.0%	0.0%
	TOTAL	**24**	**100.0%**	**100.0%**	**$3,907**	**100.0%**	**100.0%**	**100.0%**

Small Business Loans by Revenue and Loan Size Assessment Area: Madison County									
Business Revenue and Loan Size			**2023–2024**						
			Count			**Dollars**			**Total Businesses**
			Bank		**Aggregate**	**Bank**		**Aggregate**	
			#	**%**	**%**	**$ (000s)**	**$ %**	**$ %**	**%**
Business Revenue		$1 Million or Less	9	90.0%	46.7%	$801	87.9%	35.3%	89.3%
		Over $1 Million/ Unknown	1	10.0%	53.3%	$110	12.1%	64.7%	10.7%
		TOTAL	**10**	**100.0%**	**100.0%**	**$911**	**100.0%**	**100.0%**	**100.0%**
Loan Size		$100,000 or Less	6	60.0%	88.1%	$170	18.7%	27.6%	
		$100,001–$250,000	3	30.0%	7.0%	$440	48.3%	23.0%	
		$250,001–$1 Million	1	10.0%	4.8%	$301	33.0%	49.4%	
		Over $1 Million	0	0.0%	0.0%	$0	0.0%	0.0%	
		TOTAL	**10**	**100.0%**	**100.0%**	**$911**	**100.0%**	**100.0%**	
Loan Size	Revenue $1 Million or Less	$100,000 or Less	6	66.7%		$170	21.2%		
		$100,001–$250,000	2	22.2%		$330	41.2%		
		$250,001–$1 Million	1	11.1%		$301	37.6%		
		Over $1 Million	0	0.0%		$0	0.0%		
		TOTAL	**9**	**100.0%**		**$801**	**100.0%**		

Geographic Distribution of HMDA Loans Assessment Area: Madison County								
Product Type	Tract Income Levels	2023–2024						
		Count			Dollars			Owner-Occupied Units
		Bank		HMDA Aggregate	Bank		HMDA Aggregate	
		#	%	%	$ (000s)	$ %	$ %	%
Home Purchase	Low	4	25.0%	4.5%	$92	3.7%	3.4%	4.3%
	Moderate	2	12.5%	11.2%	$322	13.0%	7.5%	11.7%
	Middle	8	50.0%	41.5%	$1,580	63.9%	39.4%	37.5%
	Upper	2	12.5%	42.3%	$480	19.4%	49.4%	46.0%
	Unknown	0	0.0%	0.4%	$0	0.0%	0.3%	0.5%
	TOTAL	**16**	**100.0%**	**100.0%**	**$2,474**	**100.0%**	**100.0%**	**100.0%**
Refinance	Low	1	16.7%	3.5%	$77	5.8%	2.4%	4.3%
	Moderate	0	0.0%	12.4%	$0	0.0%	9.2%	11.7%
	Middle	3	50.0%	44.5%	$645	48.8%	42.8%	37.5%
	Upper	2	33.3%	39.1%	$599	45.3%	45.3%	46.0%
	Unknown	0	0.0%	0.5%	$0	0.0%	0.2%	0.5%
	TOTAL	**6**	**100.0%**	**100.0%**	**$1,321**	**100.0%**	**100.0%**	**100.0%**
Home Improvement	Low	0	0.0%	5.0%	$0	0.0%	5.0%	4.3%
	Moderate	0	0.0%	10.7%	$0	0.0%	8.2%	11.7%
	Middle	1	100.0%	40.7%	$86	100.0%	35.3%	37.5%
	Upper	0	0.0%	43.4%	$0	0.0%	50.1%	46.0%
	Unknown	0	0.0%	0.2%	$0	0.0%	1.4%	0.5%
	TOTAL	**1**	**100.0%**	**100.0%**	**$86**	**100.0%**	**100.0%**	**100.0%**
Multifamily	Low	0	0.0%	21.6%	$0	0.0%	20.1%	27.2%
	Moderate	0	0.0%	18.9%	$0	0.0%	14.3%	12.0%
	Middle	0	0.0%	48.6%	$0	0.0%	51.5%	48.8%
	Upper	0	0.0%	10.8%	$0	0.0%	14.1%	4.4%
	Unknown	0	0.0%	0.0%	$0	0.0%	0.0%	7.6%
	TOTAL	**0**	**0.0%**	**100.0%**	**$0**	**0.0%**	**100.0%**	**100.0%**
Other Purpose LOC	Low	0	0.0%	1.4%	$0	0.0%	0.8%	4.3%
	Moderate	0	0.0%	11.3%	$0	0.0%	10.3%	11.7%
	Middle	0	0.0%	37.9%	$0	0.0%	34.2%	37.5%
	Upper	0	0.0%	48.9%	$0	0.0%	54.6%	46.0%
	Unknown	0	0.0%	0.4%	$0	0.0%	0.1%	0.5%
	TOTAL	**0**	**0.0%**	**100.0%**	**$0**	**0.0%**	**100.0%**	**100.0%**

Other Purpose Closed/Exempt	Low	0	0.0%	1.8%	$0	0.0%	1.5%	4.3%
	Moderate	0	0.0%	7.1%	$0	0.0%	4.8%	11.7%
	Middle	1	100.0%	44.2%	$26	100.0%	39.5%	37.5%
	Upper	0	0.0%	46.9%	$0	0.0%	54.2%	46.0%
	Unknown	0	0.0%	0.0%	$0	0.0%	0.0%	0.5%
	TOTAL	**1**	**100.0%**	**100.0%**	**$26**	**100.0%**	**100.0%**	**100.0%**
Purpose Not Applicable	Low	0	0.0%	36.7%	$0	0.0%	27.1%	4.3%
	Moderate	0	0.0%	3.3%	$0	0.0%	3.6%	11.7%
	Middle	0	0.0%	33.3%	$0	0.0%	34.6%	37.5%
	Upper	0	0.0%	26.7%	$0	0.0%	34.8%	46.0%
	Unknown	0	0.0%	0.0%	$0	0.0%	0.0%	0.5%
	TOTAL	**0**	**0.0%**	**100.0%**	**$0**	**0.0%**	**100.0%**	**100.0%**
HMDA TOTALS	Low	5	20.8%	4.4%	$169	4.3%	3.8%	4.3%
	Moderate	2	8.3%	11.4%	$322	8.2%	8.2%	11.7%
	Middle	13	54.2%	42.1%	$2,337	59.8%	40.3%	37.5%
	Upper	4	16.7%	41.7%	$1,079	27.6%	47.4%	46.0%
	Unknown	0	0.0%	0.4%	$0	0.0%	0.3%	0.5%
	TOTAL	**24**	**100.0%**	**100.0%**	**$3,907**	**100.0%**	**100.0%**	**100.0%**

Geographic Distribution of Small Business Loans
Assessment Area: Madison County

Tract Income Levels	**2023–2024**						
	Count			**Dollars**			**Businesses**
	Bank		**Aggregate**	**Bank**		**Aggregate**	
	#	**%**	**%**	**$ (000s)**	**$ %**	**$ %**	**%**
Low	1	10.0%	4.5%	$11	1.2%	3.9%	4.9%
Moderate	0	0.0%	7.8%	$0	0.0%	8.6%	10.4%
Middle	5	50.0%	42.6%	$527	57.8%	36.6%	46.7%
Upper	4	40.0%	37.9%	$374	41.0%	38.1%	30.4%
Unknown	0	0.0%	7.1%	$0	0.0%	12.8%	7.7%
TOTAL	**10**	**100.0%**	**100.0%**	**$912**	**100.0%**	**100.0%**	**100.0%**

GLOSSARY

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

Assessment area: One or more of the geographic areas delineated by the bank and used by the regulatory agency to assess an institution's record of CRA performance.

Census tract: A small subdivision of metropolitan and nonmetropolitan counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely, depending on population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community contact: Interviews conducted as part of the CRA examination to gather information that might assist examiners in understanding the bank's community, available opportunities for helping to meet local credit and community development needs, and perceptions on the performance of financial institutions in helping meet local credit needs. Communications and information gathered can help to provide a context to assist in the evaluation of an institution's CRA performance.

Community development: An activity associated with one of the following five descriptions: (1) affordable housing (including multifamily rental housing) for low- or moderate-income individuals; (2) community services targeted to low- or moderate-income individuals; (3) activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of $1 million or less; (4) activities that revitalize or stabilize low- or moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies; or (5) Neighborhood Stabilization Program (NSP) eligible activities in areas with HUD-approved NSP plans, which are conducted within two years after the date when NSP program funds are required to be spent and benefit low-, moderate-, and middle-income individuals and geographies.

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

Demographics: The statistical characteristics of human populations (e.g., age, race, sex, and income) used especially to identify markets.

Distressed nonmetropolitan middle-income geography: A middle-income, nonmetropolitan geography will be designated as distressed if it is in a county that meets one or more of the following triggers: (1) an unemployment rate of at least 1.5 times the national average, (2) a poverty rate of 20 percent or more, or (3) a population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include nonrelatives 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 who do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and income of applicants; the amount of loan requested; and the disposition of the application (e.g., approved, denied, and withdrawn).

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes, and refinancing of home improvement and home purchase loans.

Household: One or more persons who occupy a housing unit. The occupants may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements.

Housing affordability ratio: Calculated by dividing the median household income by the median housing value. It represents the amount of single family, owner-occupied housing that a dollar of income can purchase for the median household in the census tract. Values closer to 100 percent indicate greater affordability.

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 income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

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

Median family income: The dollar amount that divides the family income distribution into two equal groups, half having incomes above the median, half having incomes below the median. The median family income is based on all families within the area being analyzed.

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. An MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. An MD is a division of an MSA based on specific criteria including commuting patterns. Only an MSA that has a population of at least 2.5 million may be divided into MDs.

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.

Nonmetropolitan statistical area (nonMSA): Not part of a metropolitan area. (See metropolitan area.)

Other products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

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.

Performance context: The performance context is a broad range of economic, demographic, and institution- and community-specific information that an examiner reviews to understand the context in which an institution's record of performance should be evaluated. The performance context is not a formal or written assessment of community credit needs.

Performance criteria: These are the different criteria against which a bank's performance in helping to meet the credit needs of its assessment area(s) is measured. The criteria relate to lending, investment, retail service, and community development activities performed by a bank. The performance criteria have both quantitative and qualitative aspects. There are different sets of criteria for large banks, intermediate small banks, small banks, wholesale/limited purpose banks, and strategic plan banks.

Performance evaluation (PE): A written evaluation of a financial institution's record of meeting the credit needs of its community, as prepared by the federal financial supervision agency responsible for supervising the institution.

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

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

Small businesses/small farms: A small business/farm is considered to be one in which gross annual revenues for the preceding calendar year were $1 million or less.

Small loan(s) to business(es): That is, "small business loans" are included in "loans to small businesses" as defined in the Consolidated Reports of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of $1 million or less and typically are secured either by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

Small loan(s) to farm(s): That is, "small farm loans" are included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Reports 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.

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

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