

PUBLIC DISCLOSURE

March 3, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**FNB Oxford Bank
RSSD #590640**

**101 Courthouse Square
Oxford, Mississippi 38655**

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

FNB Oxford 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.
- Distribution of loans to borrowers reflects reasonable penetration among individuals of different income levels (including low- and moderate-income (LMI)) and businesses of different revenue sizes.
- Geographic distribution of loans reflects a reasonable dispersion 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.

During the COVID-19 pandemic, the bank responded to the needs of the community through its participation in the CARES Act¹ Paycheck Protection Program (PPP). The bank's participation in the PPP was also considered in the bank's rating.

¹ Coronavirus Aid, Relief, and Economic Security Act, signed into law on March 27, 2020.

SCOPE OF EXAMINATION

The bank's CRA performance was reviewed using the Federal Financial Institutions Examination Council's (FFIEC's) intermediate small bank procedures. Performance was assessed in the bank's two delineated assessment areas, both of which are in the state of Mississippi. The intermediate small bank examination procedures entail two performance tests: the Lending Test and the Community Development Test. Given the bank's assessment area composition, performance under these tests is rated at the overall institution level.

Since its prior examination in December 2020, the bank added Yalobusha County to its Lafayette-Yalobusha assessment area with the opening of a branch in Yalobusha County in November 2023. The following table details the current 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, 2024.

Assessment Area	Offices		Deposits		Review Procedures
	#	%	\$ (000s)	%	
Lafayette-Yalobusha	5	83.3%	\$614,226	95.0%	Full Scope
Lee County	1	17.7%	\$32,491	5.0%	Limited Scope
TOTAL²	6	100%	\$646,718	100.0%	1 – Full Scope

In light of branch structure and loan and deposit activity, performance in the Lafayette-Yalobusha assessment area drove overall performance conclusions.

Furthermore, residential real estate loans 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 and the bank's business strategy. Therefore, the loan activity represented by these credit products is deemed indicative of overall lending performance. As the bank has a particular emphasis on home mortgage lending, performance based on the residential real estate 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	December 31, 2020 – December 31, 2024
Assessment Area Concentration	January 1, 2023 – December 31, 2023
Loan Distribution by Borrower's Profile	
Geographic Distribution of Loans	
Response to Written CRA Complaints	December 7, 2020 – March 2, 2025
Community Development Activities	

² Note: In this table and others throughout this document, percentages may not total 100% due to rounding.

Lending Test analyses often entail comparisons of bank performance to assessment area demographics and the performance of other lenders, based on Home Mortgage Disclosure Act (HMDA) and CRA aggregate lending data. Unless otherwise noted, assessment area demographics are based on 2020 U.S. Census data; certain business demographics are based on 2023 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 comparable financial institutions operating within the same general region. Three other banks were identified as similarly situated peers, with asset sizes ranging from \$483.8 million to \$961.8 million as of December 31, 2024.

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.

To augment this evaluation, two community contact interviews were conducted with members of the local community to ascertain specific credit needs, opportunities, and local market conditions within the bank's full-scope assessment area. 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 Institution's Operations in the Lafayette-Yalobusha Assessment Area* section.

DESCRIPTION OF INSTITUTION

The bank is a full-service retail bank offering both consumer and commercial loan and deposit products. The bank is wholly owned by First National Holding Company, a single-bank holding company. The bank and its holding company are both headquartered in Oxford, Mississippi. The bank's branch network consists of six full-service offices (including the main office), five of which house on-site loan officers.

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 December 31, 2024, the bank reported total assets of \$817.4 million. As of the same date, loans and leases outstanding were \$402.7 million (49.3 percent of total assets), and deposits totaled \$697.0 million. The bank's loan portfolio composition by credit category is displayed in the following table.

Distribution of Total Loans as of December 31, 2024		
Credit Category	Amount \$ (000s)	Percentage of Total Loans
Commercial Real Estate	\$132,188	32.8%
1-4 Family Residential	\$117,524	29.2%
Construction and Development	\$80,605	20.0%
Multifamily Residential	\$27,575	6.8%
Commercial and Industrial	\$26,672	6.6%
Total Other Loans	\$9,265	2.3%
Loans to Individuals	\$3,929	1.0%
Farmland	\$3,427	0.9%
Farm Loans	\$1,555	0.4%
TOTAL	\$402,740	100%

As indicated by the table above, a significant portion of the bank's lending resources is directed to commercial real estate, residential real estate, and construction and development loans.

The bank received a Satisfactory rating at its previous CRA evaluation conducted by this Reserve Bank on December 7, 2020.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

FNB Oxford 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. In addition, the bank responded to community credit needs through its participation in the PPP during the COVID-19 pandemic. In 2021, the bank originated 210 PPP loans, both inside and outside its assessment areas, totaling \$10,693,884.29, which reflects favorably on the bank's performance under the CRA.

Loan-to-Deposit (LTD) Ratio

One indication of the bank's overall level of lending activity is its LTD ratio. The following table displays the bank's average LTD ratio in comparison to those of regional peers. The average LTD ratio represents a 17-quarter average dating back to the bank's last CRA evaluation in 2020.

LTD Ratio Analysis LTD Ratio Analysis			
Name	Headquarters	Asset Size \$ (000s) as of December 31, 2024	Average LTD Ratio
FNB Oxford Bank	Oxford, Mississippi	\$817,381	56.8%
Regional Banks	Greenwood, Mississippi	\$961,776	59.7%
	New Albany, Mississippi	\$774,450	61.5%
	Pontotoc, Mississippi	\$483,846	63.7%

Based on data from the previous table, the bank's level of lending is in line with other similarly situated banks in the region. The bank's quarterly LTD ratio ranged from a high of 62.2 percent at the start of the review period to a low of 52.2 percent as of June 30, 2022. The bank's LTD ratio average of 56.8 percent is close to regional bank averages, which ranged from 59.7 percent to 63.7 percent. Therefore, compared to data from regional banks, the bank's average LTD ratio is reasonable given the bank's size, financial condition, and 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 of Assessment Areas January 1, 2023 through December 31, 2023						
Loan Type	Inside Assessment Areas		Outside Assessment Areas		TOTAL	
HMDA	59	80.8%	14	19.2%	73	100%
	\$15,597	76.2%	\$4,860	23.8%	\$20,457	100%
Small Business	41	82.0%	9	18.0%	50	100%
	\$5,628	68.2%	\$2,624	31.8%	\$8,251	100%
TOTAL LOANS	100	81.3%	23	18.7%	123	100%
	\$21,225	73.9%	\$7,484	26.1%	\$28,709	100%

A majority of loans and other lending-related activities were made in the bank's assessment areas. As shown above, 81.3 percent of the total loans were made inside the assessment areas, accounting for 73.9 percent of the dollar volume of total loans.

Borrower and Geographic Distribution

Performance by borrower's income/revenue profile is reasonable.

Full-Scope Assessment Areas	Loan Distribution by Borrower's Profile
Lafayette-Yalobusha	Reasonable
OVERALL	REASONABLE

Limited-Scope Assessment Areas	Loan Distribution by Borrower's Profile
Lee County	Consistent

In addition, the bank's distribution of lending by income level of census tracts reflects reasonable dispersion.

Full-Scope Assessment Areas	Geographic Distribution of Loans
Lafayette-Yalobusha	Reasonable
OVERALL	REASONABLE

Limited-Scope Assessment Areas	Geographic Distribution of Loans
Lee County	Consistent

Responses to Complaints

No CRA-related complaints were filed against the bank during this review period (December 7, 2020 through March 2, 2025).

COMMUNITY DEVELOPMENT TEST

The bank's performance under the Community Development Test is rated Satisfactory. The bank's community development performance demonstrates adequate responsiveness to the community development needs of its assessment areas through community development loans, qualified investments, and community development services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for community development in the assessment areas.

Full-Scope Assessment Areas	Community Development Test Performance Conclusions
Lafayette-Yalobusha	Adequate
OVERALL	ADEQUATE

Limited-Scope Assessment Areas	Community Development Test Performance Conclusions
Lee County	Consistent

The bank's community development performance was adequate overall and included a mix of qualifying community development loans, investments, donations, and services.

During the review period, the bank made 29 qualifying loans totaling \$22.2 million inside its two assessment areas. Of these, 6 were for community service, 14 were for revitalization and stabilization, 6 were for economic development, and 3 were for affordable housing.

The bank also made two community development investments in its assessment areas totaling \$1.2 million. Additionally, the bank made 74 community development donations in its assessment areas totaling \$68,209, and the bank paid a three-year lease for a financial literacy program that was offered for four local schools in the bank's assessment areas.

During the review period, bank personnel used financial expertise to log 304 hours of community development services within the assessment areas. Service activities included acting as treasurer for a community revitalization organization, budgeting for a church that offered financial and basic needs assistance to LMI individuals in the community, and counseling LMI individuals in procuring financial assistance.

Community Development Activities Inside Assessment Areas		
Community Development Component	#	\$
Loans	29	\$22.2 million
Investments, Current and Prior	2	\$1.2 million
Current Period	2	\$1.2 million
Prior Period, Still Outstanding	0	\$0
Donations	74	\$68,209.37
Services	304 hours	9 employees

In addition to these activities within its assessment areas, the bank also responded to community development needs in the broader, statewide Mississippi area. This includes six loans totaling \$10.9 million for affordable housing, a \$300,000 investment for affordable housing, and a \$500 donation for community services.

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.

LAFAYETTE-YALOBUSHA ASSESSMENT AREA

(Full-Scope Review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE LAFAYETTE-YALOBUSHA ASSESSMENT AREA

Bank Structure

The bank operates five of its six total branches (83.3 percent) in this assessment area. Three branches are located in upper-income census tracts, and two are located in middle-income tracts. During this review period, the bank opened one branch in this assessment area in November 2023 in Yalobusha County, thereby expanding the assessment area to include Yalobusha County. Based on this branch network and full-service online banking capabilities, the bank is well positioned to deliver financial services to the entirety of this assessment area.

General Demographics

The assessment area is composed of Lafayette and Yalobusha counties in their entireties. This is the bank's primary assessment area and is located in northern Mississippi. As of the 2020 U.S. Census, the assessment area population was 68,294. Of the 17 FDIC-insured depository institutions with a branch presence in this assessment area, the bank ranked first in deposit market share, encompassing 27.4 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 community contacts, include 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	0	1	12	6	0	19
	0.0%	5.3%	63.2%	31.6%	0.0%	100%
Family Population	0	920	9,057	4,154	0	14,131
	0.0%	6.5%	64.1%	29.4%	0.0%	100%

As noted in the table above, the assessment area has no low-income census tracts, and of the 19 census tracts in the assessment area, only one, or 5.3 percent, is a moderate-income geography. Similarly, only 6.5 percent of the family population resides in the only moderate-income census tract, and the majority of the assessment area family population resides in middle-income geographies (64.1 percent).

Based on 2020 U.S. Census data, the median family income for the assessment area was \$62,569. At the same time, the median family income for nonmetropolitan statistical area (nonMSA)

Mississippi was \$53,003. More recently, the FFIEC estimates the 2023 median family income for nonMSA Mississippi to be \$64,200. The following table displays population percentages of assessment area families by income level compared to the nonMSA Mississippi family population.

Family Population by Income Level					
Dataset	Low-	Moderate-	Middle-	Upper-	TOTAL
Assessment Area	2,505	1,866	2,743	7,017	14,131
	17.7%	13.2%	19.4%	49.7%	100%
NonMSA Mississippi	89,246	62,630	68,326	158,072	378,274
	23.6%	16.6%	18.1%	41.8%	100%

As shown in the above table, 30.9 percent of families within the assessment area were considered LMI, which is 9.3 percentage points lower than the LMI family percentage of 40.2 percent in nonMSA Mississippi. The percentage of families living below the poverty level in the assessment area (11.9 percent) is lower than the 17.0 percent level in nonMSA Mississippi. Considering these factors, the assessment area appears to be more affluent than nonMSA Mississippi as a whole.

Housing Demographics

As displayed below, homeownership in the assessment area is less affordable compared to nonMSA Mississippi as a whole.

Housing Cost Burden						
Area	Cost Burden – Renters			Cost Burden – Owners		
	Low-Income	Moderate-Income	All Renters	Low-Income	Moderate-Income	All Owners
Assessment Area	72.9%	43.1%	45.9%	50.8%	25.5%	17.1%
NonMSA Mississippi	62.7%	36.2%	37.8%	50.1%	21.5%	16.9%
<i>Cost burden is housing cost that equals 30 percent or more of household income.</i> <i>Source: U.S. Department of Housing and Urban Development (HUD) 2017–2021 Comprehensive Housing Affordability Strategy</i>						

Assessment area renters in all income levels are more likely to be housing cost burdened as compared to nonMSA Mississippi overall (45.9 percent compared to 37.8 percent, respectively). These circumstances were particularly evident in the low-income category, where the percentage of cost-burdened assessment area renters (72.9 percent) is well above the nonMSA Mississippi figure (62.7 percent). As expected, the median gross monthly rent in the assessment area (\$917) is well above the nonMSA Mississippi figure (\$691), and median gross rents were higher in Lafayette County (\$968) compared to Yalobusha County (\$674) in the assessment area. Accordingly, LMI renters saving for a down payment to purchase a home encounter significant challenges.

Similarly, the higher housing values in the assessment area outstrip the assessment area's relatively higher income levels discussed in the previous section, resulting in higher cost burdens for homeowners; the assessment area median housing value of \$178,194 is well above the nonMSA Mississippi figure of \$100,494. This data aligns with the community contact perspective that housing was becoming less affordable for LMI residents in the area due to increasing housing costs, overall higher inflation levels, and increased home buying competition from more affluent residents moving into the area from urban areas.

Industry and Employment Demographics

The assessment area supports a large and diverse business community, including a strong small business sector, as evidenced by the Dun & Bradstreet data indicating that 91.8 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), there are 27,462 employees in the assessment area (including 8,042 governmental employees). By percentage of nongovernmental employees, the three largest job categories in the assessment area are accommodation and food services (23.1 percent), followed by retail trade (17.1 percent) and healthcare and social assistance (16.5 percent). The table below details BLS unemployment data (not seasonally adjusted) for each county of the assessment area, the assessment area as a whole, and overall nonMSA Mississippi.

Unemployment Levels for the Assessment Area			
Dataset	Time Period (Annual Average)		
	2022	2023	2024 (Jan.–July)
Lafayette County	3.1%	2.5%	2.2%
Yalobusha County	3.9%	3.5%	3.2%
Assessment Area Overall	3.2%	2.6%	2.3%
NonMSA Mississippi	4.1%	3.4%	3.2%

As shown in the table above, the assessment area consistently had a lower level of unemployment compared to nonMSA Mississippi, as driven by low levels of unemployment in Lafayette County; the level of unemployment in Yalobusha County was substantially similar to nonMSA Mississippi. However, both the assessment area and nonMSA Mississippi had consistently declining unemployment rates since 2022.

Community Contact Information

For the Lafayette-Yalobusha assessment area, two community contacts were interviewed as part of this evaluation. The interviewees were both involved with economic development organizations, and both identified that although new housing construction was “booming,” access to affordable housing in the assessment area falls well short of demand. Community contacts noted that strong new construction levels have been driven by the university and technology industries associated with the university, as well as an influx of wealthy retirees. One contact noted improved infrastructure and access to high-speed internet also increased the area’s attractiveness to new residents.

Despite economic growth, new housing is relatively unaffordable for LMI individuals, and the area struggles to attract new types of industries. As students and retirees comprise a large portion of the population, the available workforce is in short supply. It is difficult to attract new industries due to the low unemployment rates, and it is difficult to attract new employees because of the limited affordable housing.

Many banks in the area offered financial assistance to individuals seeking new housing opportunities. FNB Oxford Bank was noted by one contact as a local bank with an interest in providing developers with incentives to construct new homes at reduced costs to aid affordable housing in Lafayette County.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE LAFAYETTE-YALOBUSHA ASSESSMENT AREA

LENDING TEST

The distribution of loans reflects reasonable penetration among borrowers of different income levels and businesses of different sizes. Similarly, the 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 the two loan categories reviewed. In reaching overall conclusions, greater emphasis was placed on residential real estate loans, followed by small business loans.

Borrowers are classified into low-, moderate-, middle-, and upper-income categories by comparing their reported income to the applicable median family income figures as estimated by the FFIEC (\$64,200 for nonMSA Mississippi as of 2023). The following table shows the distribution of the bank's residential real estate loans by borrower income level compared to 2023 HMDA aggregate lending levels in the assessment area and family population income demographics.

Borrower Distribution of Residential Real Estate Loans							
Borrower Income Level	Bank Loans		Aggregate Data	Bank Loans		Aggregate Data	Families by Income Level
	#	# %	# %	\$ (000s)	\$ %	\$ %	
Low	3	7.0%	2.3%	\$393	3.2%	0.6%	17.7%
Moderate	4	9.3%	5.9%	\$175	1.4%	2.5%	13.2%
Middle	3	7.0%	12.6%	\$602	4.8%	6.9%	19.4%
Upper	33	76.7%	63.0%	\$11,282	90.6%	64.2%	49.7%
Unknown	0	0.0%	16.2%	\$0	0.0%	25.7%	0.0%
TOTAL	43	100.0%	100.0%	\$12,452	100.0%	100.0%	100.0%

As displayed in the preceding table, the bank's percentage of lending to low-income borrowers (7.0 percent), though below the low-income family population (17.7 percent), is higher than the aggregate lending level to low-income borrowers (2.3 percent), reflecting reasonable performance. Also, the bank's percentage of lending to moderate-income borrowers (9.3 percent) is similarly below the moderate-income population (13.2 percent) but is again higher than the aggregate (5.9 percent). 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 small business loans by loan amount and business revenue size compared to Dun & Bradstreet and aggregate data.

Small Business Loans by Revenue and Loan Size								
Business Revenue and Loan Size		Count			Dollars			Total
		Bank		Aggregate	Bank		Aggregate	Businesses
		#	%	%	\$ (000s)	\$ %	\$ %	%
Business Revenue	\$1 Million or Less	11	61.1%	46.8%	\$2,414	78.9%	36.7%	91.8%
	Over \$1 Million/ Unknown	7	38.9%	53.2%	\$647	21.1%	63.3%	8.2%
	TOTAL	18	100.0%	100.0%	\$3,061	100.0%	100.0%	100.0%
Loan Size	\$100,000 or Less	9	50.0%	92.4%	\$338	11.0%	39.7%	
	\$100,001–\$250,000	5	27.8%	4.6%	\$863	28.2%	18.6%	
	\$250,001–\$1 Million	4	22.2%	3.1%	\$1,860	60.8%	41.6%	
	Over \$1 Million	0	0.0%	0.0%	\$0	0.0%	0.0%	
	TOTAL	18	100.0%	100.0%	\$3,061	100.0%	100.0%	
Loan Size	\$100,000 or Less	4	36.4%		\$172	7.1%		
	\$100,001–\$250,000	4	36.4%		\$713	29.5%		
	\$250,001–\$1 Million	3	27.3%		\$1,529	63.3%		
	Over \$1 Million	0	0.0%		\$0	0.0%		
	TOTAL	11	100.0%		\$2,414	100.0%		

The bank's level of lending to small businesses is reasonable. The bank originated the majority of its small business loans (61.1 percent) to businesses with revenues of \$1 million or less. In comparison, assessment area demographics estimate that 91.8 percent of businesses in the assessment area had annual revenues of \$1 million or less, and the aggregate lending level to small businesses is 46.8 percent. Additionally, 36.4 percent of the bank's loans to small businesses were made in dollar amounts equal to or less than \$100,000, which is generally considered a greater need for small businesses.

Geographic Distribution of Loans

Overall, the bank's geographic distribution of loans in this assessment area reflects reasonable penetration throughout these LMI census tracts, based on the residential real estate and small business loan categories. As previously stated, performance in the residential real estate loan category carried the most significance in the overall rating of reasonable for geographic distribution. Furthermore, based on reviews from both loan categories, the bank had loan activity in 68.4 percent of all assessment area census tracts, including all geographies in Lafayette County and the assessment area's only LMI census tract. Consequently, there were no conspicuous lending gaps in LMI areas, and this information supports the conclusion that the bank's overall geographic distribution of loans is reasonable. The following table displays the geographic distribution of 2023 residential real estate loans compared to owner-occupied housing demographics and aggregate performance for the assessment area.

Geographic Distribution of Residential Real Estate Loans							
Geography Income Level	Bank Loans		Aggregate Data	Bank Loans		Aggregate Data	Owner- Occupied Units
	#	# %	# %	\$ (000s)	\$ %	\$ %	
Low	0	0.0%	0.0%	\$0	0.0%	0.0%	0.0%
Moderate	4	9.3%	3.5%	\$152	1.2%	2.1%	6.5%
Middle	15	34.9%	52.3%	\$2,461	19.8%	40.9%	60.0%
Upper	24	55.8%	44.1%	\$9,839	79.0%	57.0%	33.4%
Unknown	0	0.0%	0.1%	\$0	0.0%	0.0%	0.0%
TOTAL	43	100.0%	100.0%	\$12,452	100.0%	100.0%	100.0%

The bank made 9.3 percent of residential real estate loans reviewed to borrowers residing in the assessment area's only moderate-income census tract. This figure is close to the demographic figure of owner-occupied housing units in the moderate-income census tract (6.5 percent), and the bank's lending level in the moderate-income census tract is above that of aggregate HMDA lenders (3.5 percent), which reflects reasonable performance.

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

Geographic Distribution of Small Business Loans							
Geography Income Level	Bank Loans		Aggregate Data	Bank Loans		Aggregate Data	Businesses
	#	%	%	\$ (000s)	\$ %	\$ %	%
Low	0	0.0%	0.0%	\$0	0.0%	0.0%	0.0%
Moderate	0	0.0%	3.9%	\$0	0.0%	2.1%	3.3%
Middle	5	27.8%	43.5%	\$619	20.2%	35.3%	49.2%
Upper	13	72.2%	51.4%	\$2,444	79.8%	62.3%	47.5%
Unknown	0	0.0%	1.1%	\$0	0.0%	0.2%	0.0%
TOTAL	18	100.0%	100.0%	\$3,063	100.0%	100.0%	100.0%

As shown above, the analysis did not show any small business loans in the one moderate-income census tract in 2023, compared to the aggregate level of lending in this moderate-income census tract (3.9 percent) and the demographic figure (3.3 percent). Given the minimal presence of aggregate lending and businesses within this moderate-income census tract, the bank's overall geographic distribution of small business loans is reasonable.

COMMUNITY DEVELOPMENT TEST

The bank's overall community development performance demonstrates adequate responsiveness to the community development needs of the assessment area, considering the bank's capacity, area needs, and the availability of opportunities. The bank has addressed the community development needs of the assessment area through community development loans, qualified investments and grants, and community development services. During the review period, the bank extended 24 community development loans in this assessment area totaling \$14.6 million. Of these, 12 were for community service, 6 were for economic development, and 6 were for revitalization/stabilization. The bank also made one community development investment supporting economic development in this assessment area totaling \$715,000.

Additionally, the bank made 40 community development donations totaling \$47,980. These donations included a gift-in-kind of a financial literacy program; this three-year program lease was gifted to schools in the assessment area with a majority of LMI students, providing them access to programs covering budgeting, entrepreneurship, and managing credit.

During the review period, seven employees used financial expertise to log 179 hours of community development services within this assessment area. Service activities included presenting financial education training to LMI middle school students, assisting in budgeting for a local church that provided financial assistance to families, and aiding LMI families seeking financial guidance at a local food pantry.

LEE COUNTY ASSESSMENT AREA

(Limited-Scope Review)

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

The bank operates one full-service branch in this assessment area, which includes the entirety of Lee County. The bank did not open or close any branches in this assessment area 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	3,268	2,530	3,935	11,687	21,420
	15.3%	11.8%	18.4%	54.6%	100.0%
Household Population	5,954	3,752	4,548	17,612	31,866
	18.7%	11.8%	14.3%	55.3%	100.0%

Assessment Area Demographics by Geography Income Level						
Dataset	Geography Income Level					TOTAL
	Low-	Moderate-	Middle-	Upper-	Unknown-	
Census Tracts	0	0	10	12	1	23
	0.0%	0.0%	43.5%	52.2%	4.3%	100.0%
Family Population	0	0	8,605	12,815	0	21,420
	0.0%	0.0%	40.2%	59.8%	0.0%	100.0%
Household Population	0	0	14,048	17,818	0	31,866
	0.0%	0.0%	44.1%	55.9%	0.0%	100.0%
Business Institutions	0	0	1,967	1,724	14	3,705
	0.0%	0.0%	53.1%	46.5%	0.4%	100.0%

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

LENDING TEST

The bank's Lending Test performance in this assessment area is consistent with that of the full-scope review assessment area, as summarized 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 A*.

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 Community Development Test performance in its full-scope review assessment area.

Community development activities in this assessment area include:

- Five community development loans totaling \$7.7 million.
- One investment for \$492,783 in an equity fund for an affordable housing project.
- Thirty-four donations totaling \$20,230.
- Three services from bank employees using financial expertise totaling 125 hours to two different community development organizations.

**APPENDIX A – LENDING PERFORMANCE TABLES FOR LIMITED-SCOPE
REVIEW ASSESSMENT AREAS**

Lee County Assessment Area

Borrower Distribution of Residential Real Estate Loans							
Borrower Income Level	Bank Loans		Aggregate Data	Bank Loans		Aggregate Data	Families by Income Level
	#	# %	# %	\$ (000s)	%	\$ %	
Low	2	12.5%	4.8%	\$406	12.9%	2.1%	15.3%
Moderate	1	6.3%	12.4%	\$51	1.6%	7.3%	11.8%
Middle	0	0.0%	20.0%	\$0	0.0%	15.1%	18.4%
Upper	13	81.3%	45.0%	\$2,687	85.4%	50.9%	54.6%
Unknown	0	0.0%	17.8%	\$0	0.0%	24.6%	0.0%
TOTAL	16	100.0%	100.0%	\$3,145	100.0%	100.0%	100.0%

Small Business Loans by Revenue and Loan Size								
Business Revenue and Loan Size		Count			Dollars			Total Businesses
		Bank		Aggregate	Bank		Aggregate	
		#	%	%	\$ (000s)	\$ %	\$ %	
Business Revenue	\$1 Million or Less	9	39.1%	51.8%	\$1,157	45.1%	43.6%	90.3%
	Over \$1 Million/ Unknown	14	60.9%	48.2%	\$1,409	54.9%	56.4%	9.7%
	TOTAL	23	100.0%	100.0%	\$2,566	100.0%	100.0%	100.0%
Loan Size	\$100,000 or Less	17	73.9%	86.6%	\$712	27.7%	27.0%	
	\$100,001–\$250,000	3	13.0%	7.1%	\$524	20.4%	20.8%	
	\$250,001–\$1 Million	3	13.0%	6.3%	\$1,330	51.8%	52.2%	
	Over \$1 Million	0	0.0%	0.0%	\$0	0.0%	0.0%	
	TOTAL	23	100.0%	100.0%	\$2,566	100.0%	100.0%	
Loan Size Revenue \$1 Million or Less	\$100,000 or Less	6	66.7%		\$253	21.9%		
	\$100,001–\$250,000	2	22.2%		\$333	28.8%		
	\$250,001–\$1 Million	1	11.1%		\$571	49.4%		
	Over \$1 Million	0	0.0%		\$0	0.0%		
	TOTAL	9	100.0%		\$1,157	100.0%		

Geographic Distribution of Residential Real Estate Loans							
Geography Income Level	Bank Loans		Aggregate Data	Bank Loans		Aggregate Data	Owner- Occupied Units
	#	# %	# %	\$ (000s)	\$ %	\$ %	
Low	0	0.0%	0.0%	\$0	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	\$0	0.0%	0.0%	0.0%
Middle	8	50.0%	35.5%	\$1,496	47.6%	30.2%	40.1%
Upper	8	50.0%	64.5%	\$1,649	52.4%	69.8%	59.9%
Unknown	0	0.0%	0.0%	\$0	0.0%	0.0%	0.0%
TOTAL	16	100.0%	100.0%	\$3,145	100.0%	100.0%	100.0%

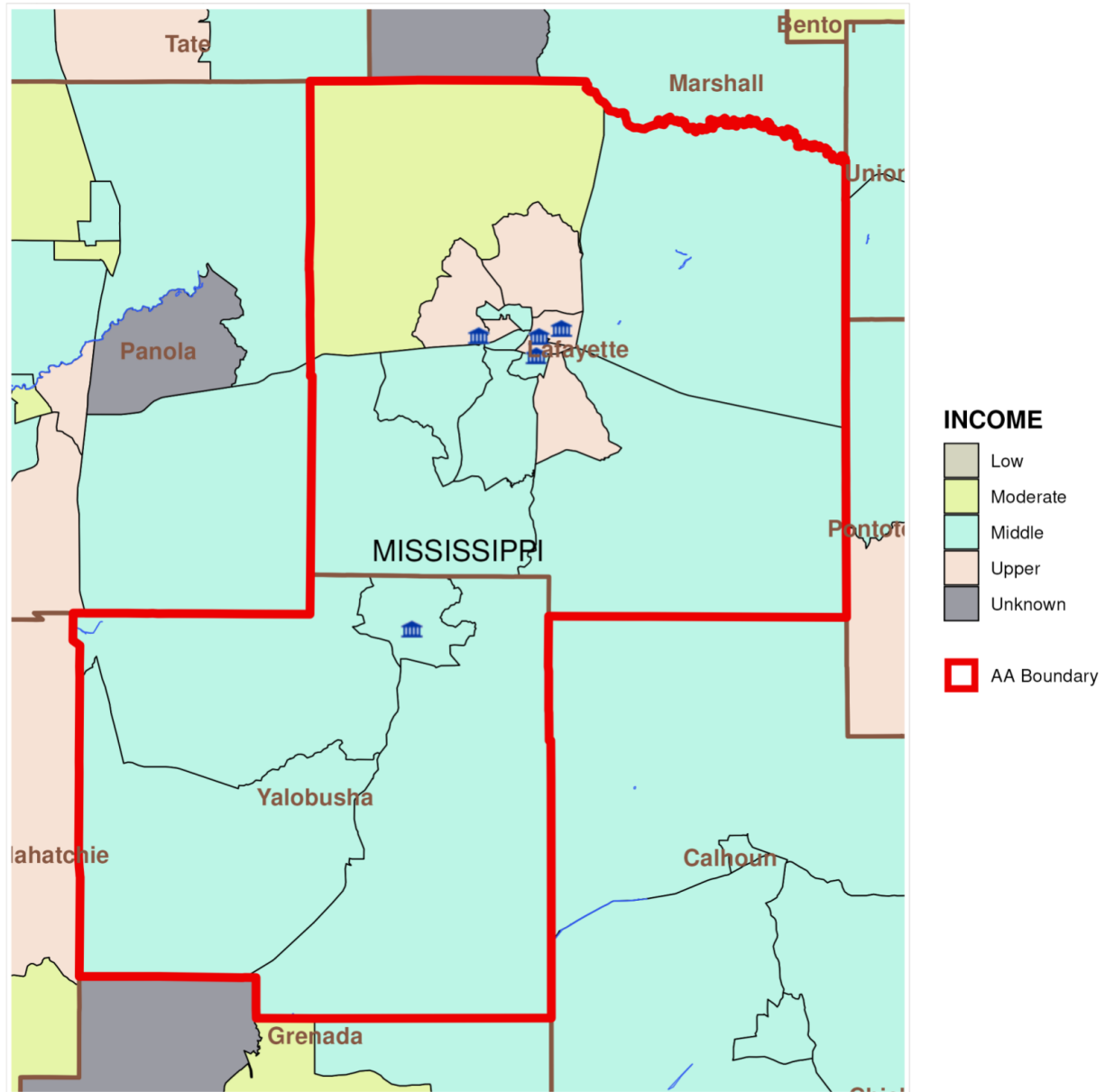
Geographic Distribution of Small Business Loans							
Geography Income Level	Bank Loans		Aggregate Data	Bank Loans		Aggregate Data	Businesses
	#	%	# %	\$ (000s)	\$ %	\$ %	%
Low	0	0.0%	0.0%	\$0	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	\$0	0.0%	0.0%	0.0%
Middle	6	26.1%	45.9%	\$820	32.0%	52.0%	53.1%
Upper	17	73.9%	52.1%	\$1,745	68.0%	46.1%	46.5%
Unknown	0	0.0%	2.0%	\$0	0.0%	1.9%	0.4%
TOTAL	23	100.0%	100.0%	\$2,565	100.0%	100.0%	100.0%

APPENDIX B – ASSESSMENT AREAS DETAIL

Lafayette-Yalobusha Assessment Area

FNB Oxford Bank

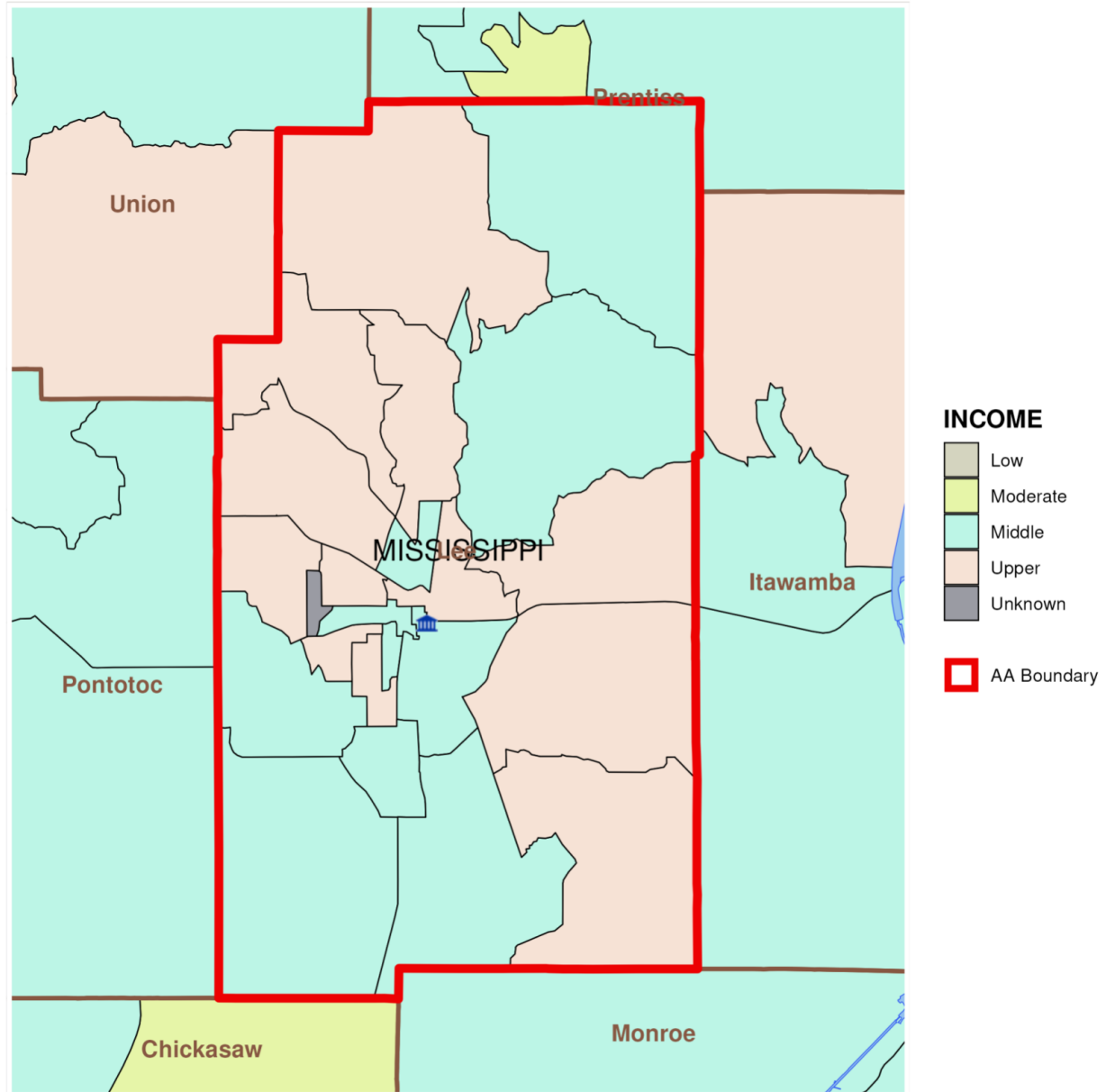
Lafayette-Yalobusha NonMSA MS AA 2023 - Tract Income



Lee County Assessment Area

FNB Oxford Bank

Lee NonMSA MSA AA 2023 - Tract Income



APPENDIX C – 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-, or 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.