

PUBLIC DISCLOSURE

February 24, 2022

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Homeland Community Bank
Certificate Number: 57632

900 North Chancery Street
McMinnville, Tennessee 37110

Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection
Dallas Regional Office

600 North Pearl Street, Suite 700
Dallas, Texas 75201

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 this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated **Satisfactory**.

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

- The loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and assessment area (AA) credit needs.
- A majority of loans are in the AAs.
- The geographic distribution of loans reflects reasonable dispersion throughout the AAs.
- The distribution of borrowers reflects, given the demographics of the AAs, reasonable penetration among individuals of different income levels (including low- and moderate-income (LMI)) and businesses of different sizes.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the rating.

DESCRIPTION OF INSTITUTION

Homeland Community Bank (HCB) maintains its headquarters in McMinnville, Tennessee. The bank has no holding company, no affiliates, and no subsidiaries. No merger or acquisition activities occurred since the previous evaluation. HCB received a "Satisfactory" rating based on Small Institution Examination Procedures at its previous FDIC evaluation on March 14, 2016.

HCB operates four full-service offices located within the following Tennessee counties: Cannon (1) in the Nashville-Davidson-Murfreesboro-Franklin, Tennessee Metropolitan Statistical Area (MSA); and Warren (3) in the Non-MSA areas of Tennessee.

The bank opened one new office since the prior evaluation in Woodbury, Tennessee in a moderate-income census tract (CT). Two other offices are located in moderate-income CTs and one is located in a middle-income CT.

The bank offers various loan products including residential, commercial, consumer, and agricultural loans, as well as a variety of deposit products including personal and business checking and savings accounts. Alternative banking services include mobile banking, internet banking, bill pay, and three automated teller machines. The bank maintains hours typical for its area and the industry.

HCB's assets totaled approximated \$228.8 million as of December 31, 2021, and included loans of \$102.1 million. Total deposits equaled \$212.7 million and securities totaled \$79.4 million as of the same date. The following table details the mix of outstanding loans as of December 31, 2021.

Commercial and residential real estate loans constitute the largest percentage of outstanding gross loans.

Loan Portfolio Distribution as of 12/31/2021		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	14,122	13.8
Secured by Farmland	3,190	3.1
Secured by 1-4 Family Residential Properties	36,012	35.3
Secured by Multifamily (5 or more) Residential Properties	2,127	2.1
Secured by Nonfarm Nonresidential Properties	23,962	23.5
Total Real Estate Loans	79,413	77.8
Commercial and Industrial Loans	14,144	13.9
Agricultural Production and Other Loans to Farmers	3,474	3.4
Consumer Loans	5,047	4.9
Obligations of State and Political Subdivisions in the U.S.	0	0.0
Other Loans	0	0.0
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	0	0.0
Total Loans	102,078	100.0
<i>Source: Reports of Condition and Income</i>		

Examiners did not find any financial, legal, or other impediments that affect the bank’s ability to meet AA credit needs.

DESCRIPTION OF ASSESSMENT AREAS

The CRA requires each financial institution to define one or more AAs for which examiners will evaluate its CRA performance. HCB designated two AAs detailed in the following table. The Nashville MSA AA is new since the previous evaluation as bank officials added it in June 2021 at the time of opening a new office in Cannon County. Each AA conforms to CRA regulatory requirements.

Description of Assessment Areas			
Assessment Area	Counties in Assessment Area	# of CTs	# of Branches
Nashville MSA	Cannon	9	1
Tennessee Non-MSA	Warren	3	3
<i>Source: 2015 American Community Survey (ACS) data and Bank data</i>			

Please refer to the individual discussions of the AAs for more details.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated March 14, 2016, to the current evaluation dated February 24, 2022. To assess performance, examiners applied the Federal Financial Institutions Examination Council (FFIEC) Small Institution CRA Examination Procedures, which includes the Lending Test. The Appendix lists the applicable tests' criteria.

The Tennessee Non-MSA AA comprises the largest percentages of lending, deposits, and branches. Consequently, examiners performed full-scope procedures and weighed performance more heavily for the Tennessee Non-MSA AA when arriving at conclusions and ratings. Examiners performed limited-scope procedures on the Nashville MSA AA, after considering all outstanding guidance.

Activities Reviewed

Small Institution Examination Procedures require examiners to determine the bank's major product lines for review. As an initial matter, examiners may select from among the same loan categories used for CRA Large Institution evaluations: home mortgage, small business, small farm, and consumer loans. The following table shows HCB's lending activity for 2021.

Loans Originated or Purchased				
Loan Category	\$(000s)	%	#	%
Construction and Land Development	12,939	22.3	60	8.7
Secured by Farmland	801	1.4	6	0.9
Secured by 1-4 Family Residential	16,844	29.1	129	18.7
Multi-Family (5 or more) Residential	1,061	1.8	1	0.1
Commercial Real Estate Loans	9,490	16.4	21	3.1
Commercial and Industrial Loans	11,906	20.6	102	14.8
Agricultural Loans	1,354	2.3	35	5.1
Consumer Loans	3,531	6.1	335	48.6
Other Loans	0	0.0	0	0.0
Total Loans	57,926	100.0	689	100.0
<i>Source: Bank data (01/01/2021 through 12/31/2021)</i>				
<i>Due to rounding, totals may not equal 100.0 percent</i>				

Considering the dollar volume and number of loans originated during 2021, as well as management's stated business strategy, examiners determined that the major product lines consist of commercial and residential loans. Since the bank only made a very small percentage of agricultural loans, examiners did not select this product for review. Bank records indicate that the lending focus and product mix remained generally consistent throughout the evaluation period.

This evaluation considered a random sample of home mortgage loans originated in calendar year 2021. The bank originated 130 home mortgage loans totaling approximately \$17.9 million.

Examiners selected a random sample of 63 home mortgage loans totaling approximately \$9.1 million. Home mortgage loans were compared to 2015 ACS data.

This evaluation considered a random sample of small business loans originated in calendar year 2021. The bank originated 123 commercial loans totaling approximately \$21.4 million, of which 118 loans totaling approximately \$15.2 million met the definition of a small business loan. Examiners selected a random sample of 62 small business loans totaling approximately \$8.5 million. Small business loans were compared to 2021 D&B demographic data.

For purposes of loan product weighting, examiners compared the number of home mortgage loans originated in 2021 to the number of small business loans originated in 2021. Considering dollar volume and number volume equally, home mortgage loans will receive greater weight than small business loans since home mortgage loans accounted for 54.1 percent of the dollar volume of the universes and 52.4 percent of the number volume of the universes.

For the Lending Test, examiners reviewed the number and dollar volume of home mortgage and small business loans. Examiners focused on performance by number of loans because the number of loans provides a better indicator of the number of individuals and businesses served.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

HCB demonstrated a satisfactory record under the Lending Test. The reasonable record regarding the LTD ratio, a majority of loans originated inside the AAs, and reasonable performances for geographic distribution and borrower profile support this conclusion.

Loan-to-Deposit Ratio

The LTD ratio is reasonable (considering seasonal variations and taking into account lending related activities) given the institution's size, financial condition, and AA credit needs. Examiners considered the bank's size, business strategy, and capacity relative to AA credit needs when arriving at this conclusion. For the 24 quarters since the prior evaluation, the bank recorded a 64.4 percent average, net LTD ratio. The quarterly, net LTD ratio ranged from a high of 79.1 percent on December 31, 2019, to a low of 52.1 percent on September 30, 2021.

Examiners identified and listed in the following table two similarly-situated institutions operating in similar areas and reflecting comparable asset sizes and lending emphasis.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 12/31/2021 (\$000s)	Average Net LTD Ratio (%)
Homeland Community Bank, McMinnville, Tennessee	228,757	64.4
Security Federal Savings, McMinnville, Tennessee	295,623	79.8
Cedarstone Bank, Lebanon, Tennessee	265,030	86.3
<i>Source: Reports of Condition and Income (03/31/2016 through 12/31/2021)</i>		

Assessment Area Concentration

A majority of loans and other lending related activities are in the institution's AAs. The following table shows the bank originated a majority of home mortgage and small business loans, by both number and dollar volume, within its AAs.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	55	87.3	8	12.7	63	8,236	90.4	879	9.6	9,115
Small Business	55	88.7	7	11.3	62	7,432	87.6	1,054	12.4	8,487
<i>Source: Bank data (01/01/2021 through 12/31/2021) Due to rounding, totals may not equal 100.0 percent</i>										

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the AAs. The reasonable performance in the Tennessee Non-MSA AA primarily supports this conclusion.

Borrower Profile

The distribution of borrowers reflects, given the demographics of the AAs, reasonable penetration among individuals of different income levels (including LMI) and businesses of different sizes. A reasonable performance in the Tennessee Non-MSA AA primarily supports this conclusion.

Response to Complaints

The bank did not receive any CRA-related complaints during the evaluation period; therefore, this criterion did not impact the rating.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners did not identify any evidence of discriminatory or other illegal credit practices; therefore, this criterion did not affect the overall CRA rating.

TENNESSEE NON-MSA AA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE TENNESSEE NON-MSA AA

HCB’s Tennessee Non-MSA AA includes all of Warren County.

Economic and Demographic Data

The AA’s nine CTs reflect the following income designations according to the 2015 ACS data: three moderate-, three middle-, and three upper-income CTs.

Demographic Information of the Assessment Area						
Assessment Area: Tennessee Non-MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	9	0.0	33.3	33.3	33.3	0.0
Population by Geography	40,015	0.0	37.3	34.5	28.1	0.0
Housing Units by Geography	17,825	0.0	38.2	34.8	27.1	0.0
Owner-Occupied Units by Geography	10,804	0.0	29.9	39.1	31.0	0.0
Occupied Rental Units by Geography	4,857	0.0	51.0	26.9	22.1	0.0
Vacant Units by Geography	2,164	0.0	50.8	30.7	18.5	0.0
Businesses by Geography	2,530	0.0	50.4	30.7	18.9	0.0
Farms by Geography	202	0.0	17.8	57.9	24.3	0.0
Family Distribution by Income Level	10,427	20.8	19.2	18.2	41.8	0.0
Household Distribution by Income Level	15,661	25.0	16.9	16.4	41.6	0.0
Median Family Income Non-MSAs - TN		\$46,066	Median Housing Value			\$98,322
			Median Gross Rent			\$574
			Families Below Poverty Level			16.3%
<i>Source: 2015 ACS data and 2021 D&B data Due to rounding, totals may not equal 100.0 percent (*) The NA category consists of geographies that have not been assigned an income classification</i>						

Examiners used the applicable FFIEC-estimated median family income (MFI) to analyze home mortgage loans under the borrower profile criterion. The following table shows the calculated income ranges based on the 2021 FFIEC-estimated MFI of \$53,700 for the Tennessee Non-MSA.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2021 (\$53,700)	<\$26,850	\$26,850 to <\$42,960	\$42,960 to <\$64,440	≥\$64,440
<i>Source: FFIEC</i>				

The June 2021 D&B data reveals the largest industries in the Tennessee Non-MSA AA are services, retail trade, and non-classifiable establishments. Major employers in the AA include Walmart Supercenter, Jarden Consumer Solutions, Ascension Saint Thomas River Park, Yorozu Automotive Tennessee, and Morrison Tool & Fab Inc.¹

As shown in the following table, data obtained from the U.S. Bureau of Labor Statistics indicates that the unemployment rate for December 2021 for Warren County rose above the Tennessee and U.S. rates for the same time period. The unemployment rate remained consistent in 2019 and 2021, but had an upward trend in 2020 due to the COVID-19 Pandemic.

Unemployment Rates			
Area	December 2019	December 2020	December 2021
	%	%	%
Warren County	4.2	6.0	4.5
Tennessee	3.6	5.6	3.8
National Average	3.6	6.7	3.9
<i>Source: Bureau of Labor Statistics</i>			

Competition

HCB operates in a competitive market in the Tennessee Non-MSA AA. According to the FDIC’s Deposit Market Share Report as of June 30, 2021, the AA contained seven financial institutions that operated 18 full-service branches. Of these institutions, HCB ranked third with 18.3 percent of the deposit market share.

Community Contact

As part of the evaluation process, examiners contact third parties active in the AA to assist in identifying the credit and community development needs. This information helps determine whether local financial institutions are responsive to these needs. It also shows what credit and community development opportunities are available.

Examiners contacted a member of the community involved in economic development to help assess the area’s current economic conditions, community credit needs, and potential opportunities for bank involvement. The contact indicated that current economic conditions have suffered due to the COVID-19 Pandemic. The contact noted affordable housing for LMI individuals as a significant

¹*Source: Tennessee Department of Labor and Workforce Development*

need in the community. Finally, the contact indicated that primary credit needs of the area include home mortgage and small business loans.

Credit Needs

Considering information obtained from the community contact, bank management, and demographic information, examiners ascertained that the primary credit needs of the AA include home mortgage and small business loans.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE TENNESSEE NON-MSA AA

LENDING TEST

HCB demonstrated a reasonable record in the Tennessee Non-MSA AA regarding the Lending Test. Reasonable performances regarding the geographic distribution and borrower profile support this conclusion.

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the Tennessee Non-MSA AA. The reasonable records for home mortgage lending outweighed the poor record for small business lending to support this conclusion.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the Tennessee Non-MSA AA. A reasonable performance in moderate-income geographies supports this conclusion.

The following table shows the home mortgage lending in moderate-income geographies trails demographic data by only 5.4 percentage points, reflecting reasonable performance.

Geographic Distribution of Home Mortgage Loans					
Assessment Area: Tennessee Non-MSA					
Tract Income Level	% of Owner-Occupied Housing Units	#	%	\$(000s)	%
Low	0.0	0	0.0	0	0.0
Moderate	29.9	12	24.5	1,628	22.1
Middle	39.1	29	59.2	4,636	63.1
Upper	31.0	8	16.3	1,087	14.8
Total	100.0	49	100.0	7,351	100.0
<i>Source: 2015 ACS data and Bank data (01/01/2021 through 12/31/2021)</i>					
<i>Due to rounding, totals may not equal 100.0 percent</i>					

Small Business Loans

The geographic distribution of small business loans reflects poor dispersion throughout the Tennessee Non-MSA AA. Poor performance in moderate-income geographies supports this conclusion.

The following table shows the small business lending in moderate-income geographies falls below D&B data by 25.4 percentage points, reflecting poor performance.

Geographic Distribution of Small Business Loans					
Assessment Area: Tennessee Non-MSA					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	0.0	0	0.0	0	0.0
Moderate	50.4	12	25.0	1,581	26.7
Middle	30.7	18	37.5	1,677	28.4
Upper	18.9	18	37.5	2,653	44.9
Not Available	0.0	0	0.0	0	0.0
Totals	100.0	48	100.0	5,912	100.0

*Source: 2021 D&B data and Bank data (01/01/2021 through 12/31/2021)
Due to rounding, totals may not equal 100.0 percent*

Borrower Profile

The distribution of borrowers reflects, given the demographics of the AA, a reasonable penetration among individuals of different income levels (including LMI) and businesses of different sizes. Reasonable performance for home mortgage lending outweighed excellent performance for small business loans, to support this conclusion.

Home Mortgage Loans

HCB established reasonable performance among borrowers of different income levels, including LMI borrowers. The reasonable performances to LMI borrowers support this conclusion.

Home mortgage lending to low-income borrowers trails the demographic data by 18.8 percentage points, which is typically indicative of very poor performance. However, 16.3 percent of families in the AA are below the poverty level. In light of the performance context, the lending to low-income borrowers is reasonable. To moderate-income borrowers, the institution's lending level falls 6.9 percentage points below demographic data representing reasonable performance.

Distribution of Home Mortgage Loans by Borrower Income Level					
Assessment Area: Tennessee Non-MSA					
Borrower Income Level	% of Families	#	%	\$(000s)	%
Low	20.8	1	2.0	14	0.2
Moderate	19.2	6	12.3	362	4.9
Middle	18.2	10	20.4	1,196	16.3
Upper	41.8	31	63.3	4,717	64.2
Not Available	0.00	1	2.0	1,061	14.4
Total	100.0	49	100.0	7,351	100.0
<i>Source: 2015 ACS data and Bank data (01/01/2021 through 12/31/2021)</i>					
<i>Due to rounding, totals may not equal 100.0 percent</i>					

Small Business Loans

The distribution of small business loans, based on the borrowers' profiles, reflects an excellent record in the Tennessee Non-MSA AA. Excellent lending levels to businesses with gross annual revenues (GARs) of \$1.0 million or less supports this conclusion.

The following table shows that the bank originated over nine out of every 10 small business loans to businesses with GARs of \$1.0 million or less, reflecting excellent performance. Additionally, the table indicates that the bank extended over half of all small business loans to businesses with GARs less than \$100,000, further supporting excellent performance.

Distribution of Small Business Loans by Gross Annual Revenues					
Assessment Area: Tennessee Non-MSA					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
< \$100,000	48.0	26	54.2	1,577	26.7
\$100,000 - \$249,999	24.3	10	20.8	1,885	31.9
\$250,000 - \$499,999	6.1	6	12.5	1,159	19.6
\$500,000 - \$1,000,000	3.8	2	4.2	1,200	20.3
Subtotal <= \$1,000,000	82.2	44	91.7	5,821	98.5
>\$1,000,000	5.3	0	0.0	0	0.0
Revenue Not Available	12.6	4	8.3	91	1.5
Total	100.0	48	100.0	5,912	100.0
<i>Source: 2021 D&B data and Bank data</i>					
<i>Due to rounding, totals may not equal 100.0 percent</i>					

NASHVILLE MSA AA – Limited-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE NASHVILLE MSA AA

HCB’s Nashville MSA AA includes all of Cannon County in the Nashville MSA.

Economic and Demographic Data

The AA’s three CTs reflect the following income designations according to the 2015 ACS data: two moderate- and one middle-income.

Demographic Information of the Assessment Area						
Assessment Area: Nashville MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	3	0.0	66.7	33.3	0.0	0.0
Population by Geography	13,787	0.0	72.6	27.4	0.0	0.0
Housing Units by Geography	6,057	0.0	75.9	24.1	0.0	0.0
Owner-Occupied Units by Geography	4,060	0.0	71.8	28.2	0.0	0.0
Occupied Rental Units by Geography	1,328	0.0	84.6	15.4	0.0	0.0
Vacant Units by Geography	669	0.0	83.4	16.6	0.0	0.0
Businesses by Geography	859	0.0	85.2	14.8	0.0	0.0
Farms by Geography	61	0.0	57.4	42.6	0.0	0.0
Family Distribution by Income Level	3,729	30.6	21.2	24.2	24.0	0.0
Household Distribution by Income Level	5,388	34.4	17.4	19.3	28.9	0.0
Median Family Income MSA - 34980 Nashville-Davidson-Murfreesboro- Franklin, TN MSA		\$66,441	Median Housing Value			\$125,396
			Median Gross Rent			\$597
			Families Below Poverty Level			14.1%

*Source: 2015 ACS data and 2021 D&B data
Due to rounding, totals may not equal 100.0 percent
(* The NA category consists of geographies that have not been assigned an income classification)*

The following table shows the calculated income ranges based on the 2021 FFIEC-estimated MFI of \$79,200 for the Nashville MSA AA.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2021 (\$79,200)	<\$39,600	\$39,600 to <\$63,360	\$63,360 to <\$95,040	≥\$95,040
<i>Source: FFIEC</i>				

The largest industries in the Nashville MSA AA consist of services, retail trade, and finance and insurance. Major employers in the AA include Vanderbilt University Medical Center, Nissan North America Inc., HCA, Inc., Vanderbilt University, and Saint Thomas Health Services.²

As shown in the following table, data obtained from the U.S. Bureau of Labor Statistics indicates that the unemployment rate for December 2021 for Cannon County fell below the Tennessee and U.S. rates for the same time period. The unemployment rate remained consistent in 2019 and 2021, but had an upward trend in 2020 due to the COVID-19 Pandemic.

Unemployment Rates			
Area	December 2019	December 2020	December 2021
	%	%	%
Cannon County	3.2	4.8	3.4
Tennessee	3.6	5.6	3.8
National Average	3.6	6.7	3.9
<i>Source: Bureau of Labor Statistics</i>			

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE NASHVILLE MSA AA

LENDING TEST

The institution's lending performance in the Nashville MSA AA is below the lending performance for the institution; however, it does not change the institution rating. The institution originated a limited number of home mortgage and small business loans in the Nashville MSA AA; therefore, meaningful conclusions could not be drawn for the Lending Test. The limited level of lending is primarily due to the fact that examiners were only able to evaluate approximately seven months of lending activity in this AA.

Examiners reviewed all loans that were originated in 2021 inside this AA to evaluate performance.

² Source: Moody's Analytics, Precip U.S. Metro, December 2021

APPENDICES

LENDING TABLES

Geographic Distribution of Home Mortgage Loans					
Assessment Area: Nashville MSA					
Tract Income Level	% of Owner-Occupied Housing Units	#	%	\$(000s)	%
Low	0.0	0	0.0	0	0.0
Moderate	71.8	3	50.0	330	37.3
Middle	28.2	3	50.0	555	62.7
Upper	0.0	0	0.0	0	0.0
Total	100.0	6	100.0	885	100.0
<i>Source: 2015 ACS data and Bank data (01/01/2021 through 12/31/2021)</i> <i>Due to rounding, totals may not equal 100.0 percent</i>					

Distribution of Home Mortgage Loans by Borrower Income Level					
Assessment Area: Nashville MSA					
Borrower Income Level	% of Families	#	%	\$(000s)	%
Low	30.6	0	0.0	0	0.0
Moderate	21.2	2	33.3	298	33.7
Middle	24.2	1	16.7	163	18.4
Upper	24.0	3	50.0	424	47.9
Total	100.0	6	100.0	885	100.0
<i>Source: 2015 ACS data and Bank data (01/01/2021 through 12/31/2021)</i> <i>Due to rounding, totals may not equal 100.0 percent</i>					

Geographic Distribution of Small Business Loans					
Assessment Area: Nashville MSA					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	0.0	0	0.0	0	0.0
Moderate	85.2	3	42.9	1,029	67.7
Middle	14.8	4	57.1	491	32.3
Upper	0.0	0	0.0	0	0.0
Not Available	0.0	0	0.0	0	0.0
Totals	100.0	7	100.0	1,520	100.0
<i>Source: 2021 D&B data and Bank data (01/01/2021 through 12/31/2021)</i> <i>Due to rounding, totals may not equal 100.0 percent</i>					

Distribution of Small Business Loans by Gross Annual Revenues

Assessment Area: Nashville MSA

Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
< \$100,000	57.7	3	42.8	35	2.3
\$100,000 - \$249,999	22.8	1	14.3	1,000	65.8
\$250,000 - \$499,999	6.3	1	14.3	460	30.3
\$500,000 - \$1,000,000	1.9	0	0.0	0	0.0
Subtotal <= \$1,000,000	88.7	5	71.5	1,495	98.4
>\$1,000,000	2.6	0	0.0	0	0.0
Revenue Not Available	8.7	2	28.6	25	1.6
Total	100.0	7	100.0	1,520	100.0

*Source: 2021 D&B data and Bank data (01/01/2021 through 12/31/2021)
Due to rounding, totals may not equal 100.0 percent*

SMALL BANK PERFORMANCE CRITERIA

Lending Test

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

- 1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
- 2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
- 3) The geographic distribution of the bank's loans;
- 4) The institution's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; and
- 5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

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.

American Community Survey (ACS): A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: A geographic area delineated by the institution under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

Combined Statistical Area (CSA): A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

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.

Core Based Statistical Area (CBSA): The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family. Other family 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).

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g, geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (e.g, innovativeness, complexity, and responsiveness).

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

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that 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 the income of applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

Home Mortgage Loans: Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Limited-Scope Review: A limited-scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is often analyzed using only quantitative factors (e.g, geographic distribution, borrower profile, 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 Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary

counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

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

Multi-family: Refers to a residential structure that contains five or more units.

Nonmetropolitan Area (also known as non-MSA): All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

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.

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.

Rural Area: Territories, populations, and housing units that are not classified as urban.

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

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

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.

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

“Urban” excludes the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.