PUBLIC DISCLOSURE

August 26, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Home Bank and Trust Company
Certificate Number: 4664

217 North Main Street
Eureka, Kansas 67045

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

1100 Walnut St, Suite 2100
Kansas City, Missouri 64106

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.

TABLE OF CONTENTS

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 areas, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

The bank's Community Reinvestment Act (CRA) performance under the applicable criteria supports the overall rating. The following points summarize this performance.

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

- A majority of the reviewed loans are in the institution's assessment areas.

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

- The distribution of borrowers reflects reasonable penetration among individuals of different income levels and businesses of different sizes.

- The bank did not receive any CRA-related complaints since the prior evaluation; therefore, this criterion did not affect the rating.

DESCRIPTION OF INSTITUTION

Home Bank and Trust Company is a full-service community bank headquartered in Eureka, Kansas. Greenwood County Financial Services, Inc., Eureka, Kansas, a one-bank holding company, wholly owns the institution. Home Bank and Trust Company received a Satisfactory rating under the Interagency Small Institution Examination Procedures at its prior FDIC performance evaluation dated September 17, 2018.

Home Bank and Trust Company operates six locations, three of which are located in Greenwood County, Kansas, and three in Sedgwick County, Kansas. In Greenwood County, the bank operates the main office in Eureka, a full-service branch in Severy, and a detached drive-thru facility in Eureka. In Sedgwick County, the bank operates two full-service branches in Wichita, and a full-service branch in Clearwater. There have not been any merger or acquisition activities, and there have been no branch openings or closings since the prior evaluation.

The bank offers home mortgage, commercial, agriculture, construction/land development, and consumer loans. The bank also originated loans under the Small Business Administration's Paycheck Protection Program, which was established in 2020 to provide relief to small businesses during the Coronavirus Disease 2019 pandemic. The bank's home mortgage lending includes loans retained in its portfolio, as well as loans that are sold on the secondary market. Home mortgage and commercial lending continue to be the lending focus of the institution.

The bank's deposit products include checking, savings, and money market deposit accounts, and certificates of deposit. Alternative banking services include Internet and mobile banking, electronic bill pay, telephone banking, and six bank-owned ATMs.

According to the June 30, 2024 Reports of Condition and Income, the institution reported total assets of $168.9 million, total loans of $142.4 million, and total deposits of $155.5 million. The following table shows the distribution for each loan category by dollar volume.

Loan Portfolio Distribution as of 6/30/2024		
Loan Category	**$(000s)**	**%**
Construction, Land Development, and Other Land Loans	4,802	3.4
Secured by Farmland	1,074	0.8
Secured by 1-4 Family Residential Properties	75,404	53.0
Secured by Multi-family (5 or more) Residential Properties	2,332	1.6
Secured by Non-farm Non-Residential Properties	30,134	21.2
Total Real Estate Loans	**113,746**	**80.0**
Commercial and Industrial Loans	20,207	14.2
Agricultural Production and Other Loans to Farmers	3,525	2.5
Consumer	4,933	3.5
Obligations of State and Political Subdivisions in the U.S.	-	-
Other Loans	-	-
Lease Financing Receivables (net of unearned income)	-	-
Less: Unearned Income	-	-
Total Loans	**142,411**	**100.0**
Source: Reports of Condition and Income; Due to rounding, totals may not equal 100.0%.		

Examiners did not identify any financial, legal, or other impediments that would affect the bank's ability to meet the credit needs of the assessment areas.

DESCRIPTION OF ASSESSMENT AREAS

The CRA requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. The bank designated two assessment areas located in the state of Kansas, which are referred to as the Sedgwick County Assessment Area and Greenwood County Assessment Area in this performance evaluation. The Sedgwick County Assessment Area is located within the Wichita, Kansas Metropolitan Statistical Area (MSA), and the Greenwood County Assessment Area is located in the nonmetropolitan area of Kansas. The bank's designated assessment areas have not changed since the prior evaluation. For further information on each of these assessment areas, refer to the corresponding sections of this evaluation.

SCOPE OF EVALUATION

General Information

Examiners conducted this CRA evaluation using Interagency Small Institution Examination Procedures. The evaluation covers the period from the prior evaluation dated September 17, 2018, to the current evaluation dated August 26, 2024. Examiners reviewed both assessment areas using full-scope procedures due to the bank's operations in both areas. Performance in the Sedgwick County Assessment Area received more weight when drawing overall conclusions, since the majority of deposits and loans are within this assessment area.

Activities Reviewed

Examiners reviewed home mortgage and small business loans to evaluate the bank's overall lending performance. Examiners selected the loan products based on the bank's business strategy and the number and dollar volume of loans originated or purchased during the evaluation period. Small farm loans are not a major focus for the bank and, therefore, were not reviewed in this evaluation. The loan portfolio is made up largely of residential loans followed by commercial loans; therefore, home mortgage lending received the most weight when drawing conclusions. Small business loans were not reviewed in the Greenwood Assessment Area due to nominal activity.

For the home mortgage review, examiners considered all loans reported on the bank's 2022 and 2023 Home Mortgage Disclosure Act (HMDA) Loan Application Registers. This consisted of 192 loans totaling $43.9 million in 2022, and 166 loans totaling $28.9 million in 2023. For the small business lending, examiners focused on 2023 lending activity, as bank management indicated the lending patterns in that year were reasonably representative of its overall lending patterns since the prior evaluation. In 2023, the bank originated 45 small business loans totaling $5.8 million.

For the Lending Test, examiners reviewed the entire universe of loans to evaluate the Assessment Area Concentration criterion. All loans inside the assessment areas were further reviewed to evaluate the Geographic Distribution and Borrower Profile criteria.

For the Geographic Distribution and Borrower Profile analyses, examiners used prescribed comparative data as the standard of comparison for determining performance. The 2022 HMDA aggregate lending data provided the primary standard of comparison for the bank's home mortgage lending performance for the corresponding year, as it is typically a better indicator of market conditions and loan demand. Examiners also considered the 2020 U.S. Census data for home mortgage lending. The 2023 D&B data provided a standard of comparison for the bank's small business lending performance. Although this evaluation presents both the number and dollar volume of loans, examiners emphasized performance by number of loans as it is a better indicator of the number of individuals and businesses served.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Home Bank and Trust Company demonstrates satisfactory performance under the Lending Test. The bank's overall performance in all evaluated criteria in both assessment areas supports this conclusion. Information about the bank's overall performance is detailed in this section. Refer to subsequent sections of this evaluation for detailed information by assessment area.

Loan-to-Deposit Ratio

The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and the credit needs of the assessment areas. The bank's performance was evaluated based on the average of the 24 quarterly net loan-to-deposit ratios since the prior evaluation. The resulting average net loan-to-deposit ratio is similar to comparable institutions during the same evaluation period. Examiners selected comparable banks based on their asset size, geographic location, and portfolio composition. See the following table for details.

Loan-to-Deposit Ratio Comparison		
Bank	**Total Assets as of 6/30/2024 ($000s)**	**Average Net Loan-to-Deposit Ratio (%)**
Home Bank and Trust Company, Eureka, Kansas	**168,194**	**85.3**
Carson Bank, Mulvane, Kansas	190,875	72.2
Garden Plain State Bank, Wichita, Kansas	149,183	42.5
Community Bank of Wichita, Inc., Wichita, Kansas	109,828	89.0
Source: Reports of Condition and Income 9/30/2018 through 6/30/2024		

Assessment Area Concentration

As shown in the following table, a majority of the home mortgage and small business loans reviewed were located inside the assessment areas.

Lending Inside and Outside of the Assessment Area										
Loan Category	**Number of Loans**				**Total**	**Dollar Amount of Loans**				**Total**
	Inside		**Outside**			**Inside**		**Outside**		
	#	**%**	**#**	**%**	**#**	**$**	**%**	**$**	**%**	**$**
Home Mortgage										
2022	136	70.8	56	29.2	192	32,560	74.2	11,317	25.8	43,877
2023	121	72.9	45	27.1	166	21,106	73.1	7,777	26.9	28,883
Subtotal	**257**	**71.8**	**101**	**28.2**	**358**	**53,665**	**73.8**	**19,095**	**26.2**	**72,761**
Small Business	38	84.4	7	15.6	45	5,499	95.2	277	4.8	5,776
Source: Bank Data *Due to rounding, totals may not equal 100.0%*										

Geographic Distribution
Overall, the geographic distribution of loans is reasonable. The bank's reasonable performance in the Sedgwick County Assessment Area supported this conclusion. While the bank exhibited excellent performance in the Greenwood County Assessment Area, greater weight was given to the bank's performance in the Sedgwick County Assessment Area. Examiners focused on the percentage of lending in low- and moderate-income census tracts in the Sedgwick County Assessment Area, and the percentage of lending in the moderate-income tract in the Greenwood County Assessment Area as there were no low-income census tracts in that area. Additional details are provided later in the evaluation.

Borrower Profile
The distribution of borrowers reflects reasonable penetration among individuals of different income levels and businesses of different revenue sizes. This conclusion is supported by bank's reasonable performance in both assessment areas. Examiners focused on the percentage of loans to low- and moderate-income borrowers, and the percentage of small business loans to operations with gross annual revenues of $1 million or less. Additional details are provided later in the evaluation.

Response to Complaints
The institution has not received any CRA-related complaints since the prior evaluation; therefore, this criterion did not affect the overall rating.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The bank's compliance with the laws relating to discrimination and other illegal credit practices was reviewed, including the Fair Housing Act and the Equal Credit Opportunity Act. Examiners did not identify any discriminatory or other illegal credit practices.

SEDGWICK COUNTY ASSESSMENT AREA – Full-Scope Review

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

The assessment area is comprised of Sedgwick County, which is located in the Wichita, Kansas MSA. The Sedgwick County Assessment Area accounts for the majority of the bank's overall lending and deposit activity. Three branch offices are located in this assessment area.

Economic and Demographic Data

This assessment area consists of 135 census tracts, including 8 low-income tracts, 42 moderate-income tracts, 49 middle-income tracts, 34 upper-income tracts, and 2 tracts with no income classification. The following table illustrates select demographic characteristics of the Sedgwick County Assessment Area.

Demographic Information of the Assessment Area						
Demographic Characteristics	**#**	**Low % of #**	**Moderate % of #**	**Middle % of #**	**Upper % of #**	**NA* % of #**
Geographies (Census Tracts)	135	5.9	31.1	36.3	25.2	1.5
Population by Geography	523,824	3.8	27.7	36.2	31.6	0.7
Housing Units by Geography	220,638	4.7	30.9	36.0	27.3	1.1
Owner-Occupied Units by Geography	124,213	2.1	21.6	40.2	36.0	0.2
Occupied Rental Units by Geography	75,107	7.5	42.4	31.9	15.9	2.3
Vacant Units by Geography	21,318	10.0	44.4	26.0	17.1	2.4
Businesses by Geography	43,937	2.6	22.2	31.8	40.2	3.2
Farms by Geography	1,380	1.2	15.9	33.7	47.8	1.3
Family Distribution by Income Level	126,223	20.3	18.6	21.0	40.1	0.0
Household Distribution by Income Level	199,320	23.6	17.6	17.7	41.1	0.0
Median Family Income MSA - 48620 Wichita, Kansas MSA		$74,120	Median Housing Value			$142,797
			Median Gross Rent			$838
			Families Below Poverty Level			9.2%
Source: 2020 U.S. Census and 2023 D&B Data *Due to rounding, totals may not equal 100.0%* *(*) The NA category consists of geographies that have not been assigned an income classification.*						

The 2023 D&B data indicates the services industry represents the largest portion of businesses at 37.2 percent; followed by non-classifiable establishments at 17.7 percent; finance, insurance, and real estate at 13.0 percent; and retail trade at 11.5 percent. The data also indicates a notable number of area businesses are relatively small, with 90.4 percent having 9 or fewer employees, and 89.8 percent operating from a single location.

The Federal Financial Institution Examination Council's (FFIEC) median family income figures for the Wichita, Kansas MSA were used to analyze home mortgage Borrower Profile performance. These figures along with the corresponding income thresholds are presented in the following table.

Median Family Income Ranges				
Median Family Incomes	**Low <50%**	**Moderate 50% to <80%**	**Middle 80% to <120%**	**Upper ≥120%**
Wichita, Kansas MSA Median Family Income (48620)				
2022 ($85,700)	<$42,850	$42,850 to <$68,560	$68,560 to <$102,840	≥$102,840
2023 ($85,200)	<$42,600	$42,600 to <$68,160	$68,160 to <$102,240	≥$102,240
Source: FFIEC				

Competition

There is significant competition for financial services in this assessment area. According to June 30, 2023 FDIC Deposit Market Share data, there are 38 banks operating 155 offices in the assessment area. Home Bank and Trust Company ranked 23rd, holding 0.4 percent of the market's deposits.

Community Contact

As part of the evaluation process, examiners contact third parties in the assessment area to help gain insight into the area's economy, demographic trends, and business environment. This information helps determine whether local financial institutions are responsive to these needs. It also identifies what credit opportunities are available.

Examiners reviewed a recent community contact with an organization that actively serves small businesses in the area. The contact indicated that despite ongoing inflation and labor market challenges, many area businesses have been able to strategically adjust operations in order to carry on fairly normally. However, credit has tightened even more this past year, making it challenging for smaller businesses to obtain needed financing. The primary credit needs continue to include business and home mortgage loans, and other consumer-related loans. The contact indicated that area financial institutions generally do what they can to be active in their communities, and responsive to area credit needs. In the current environment, the contact felt that small community banks have become more crucial, as they sometimes can be more flexible in their underwriting than their larger counterparts.

Credit Needs

Considering information from the community contact and economic and demographic information, examiners determined that home mortgage and small business loans are the primary credit needs in this assessment area.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE SEDGWICK COUNTY ASSESSMENT AREA

LENDING TEST

Home Bank and Trust Company demonstrates satisfactory performance under the Lending Test in the Sedgwick County Assessment Area. The bank's performance under both the Geographic Distribution and Borrower Profile criteria supports this conclusion.

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the Sedgwick County Assessment Area. The bank's reasonable home mortgage and small business performance supports this conclusion.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the Sedgwick County Assessment Area. The following table indicates the bank's lending performance in low- and moderate-income census tracts is generally comparative to aggregate performance and/or demographic data.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	**% of Owner-Occupied Housing Units**	**Aggregate Performance % of #**	**#**	**%**	**$(000s)**	**%**
Low						
2022	2.1	1.5	3	2.4	416	1.3
2023	2.1	--	1	1.0	40	0.2
Moderate						
2022	21.6	20.9	19	15.3	4,565	14.6
2023	21.6	--	31	29.5	4,553	23.0
Middle						
2022	40.2	39.3	43	34.7	6,859	22.0
2023	40.2	--	29	27.6	4,590	23.2
Upper						
2022	36.0	38.1	59	47.6	19,405	62.1
2023	36.0	--	43	41.0	10,587	53.5
Not Available						
2022	0.2	0.2	0	0.0	0	0.0
2023	0.2	--	1	1.0	9	0.0
Totals						
2022	**100.0**	**100.0**	**124**	**100.0**	**31,246**	**100.0**
2023	**100.0**	**--**	**105**	**100.0**	**19,778**	**100.0**

Source: 2020 U.S. Census; Bank Data; 2022 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

Small Business Loans

The geographic distribution of small business loans reflects reasonable dispersion throughout the Sedgwick County Assessment Area. While the small business lending performance in low-income census tracts is comparable to demographic data, the bank's lending performance in moderate-income census tracts trails demographic data. Bank management attributed this to multiple long-term borrowers selling their businesses or becoming sustainable without a need for credit. Additionally, the institution has faced challenges finding a new commercial loan officer in the west Wichita branch.

Geographic Distribution of Small Business Loans					
Tract Income Level	**% of Businesses**	**#**	**%**	**$(000s)**	**%**
Low	2.6	1	3.0	20	0.4
Moderate	22.2	3	9.1	133	2.5
Middle	31.8	7	21.2	1,200	22.3
Upper	40.2	21	63.6	3,978	74.0
Not Available	3.2	1	3.0	42	0.8
Totals	**100.0**	**33**	**100.0**	**5,373**	**100.0**

Source: 2023 D&B Data; Bank Data
Due to rounding, totals may not equal 100.0%

Borrower Profile

The distribution of borrowers reflects reasonable penetration among individuals of different income levels and businesses of different revenue sizes in the Sedgwick County Assessment Area. The bank's reasonable home mortgage and small business lending performance supports this conclusion.

Home Mortgage Loans

The distribution of borrowers reflects reasonable penetration among individuals of different income levels. The following table indicates the bank's 2022 home mortgage lending to low- and moderate-income borrowers is comparable to aggregate data. In 2023, the bank's home mortgage lending performance to moderate-income borrowers was comparable to demographic data, but its performance to low-income borrowers lagged demographic data. However, it is important to consider that 9.2 percent of low-income families generate incomes below the poverty level. These families likely face significant difficulties in qualifying for traditional home mortgage loans. Given the bank's overall performance, the distribution of home mortgage lending is reasonable.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	**% of Families**	**Aggregate Performance % of #**	**#**	**%**	**$(000s)**	**%**
Low						
2022	20.3	9.7	12	9.7	1,386	4.4
2023	20.3	--	6	5.7	612	3.1
Moderate						
2022	18.6	21.0	23	18.5	3,098	9.9
2023	18.6	--	24	22.9	2,433	12.3
Middle						
2022	21.0	19.4	31	25.0	5,521	17.7
2023	21.0	--	22	21.0	3,485	17.6
Upper						
2022	40.1	26.6	48	38.7	19,137	61.2
2023	40.1	--	32	30.5	10,191	51.5
Not Available						
2022	0.0	23.2	10	8.1	2,104	6.7
2023	0.0	--	21	20.0	3,057	15.5
Totals						
2022	**100.0**	**100.0**	**124**	**100.0**	**31,245**	**100.0**
2023	**100.0**	**--**	**105**	**100.0**	**19,778**	**100.0**
Source: 2020 U.S. Census; Bank Data; 2022 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Small Business Loans

The distribution of borrowers reflects reasonable penetration among businesses of different revenue sizes. As illustrated in the following table, the bank's lending to businesses with revenues of $1 million or less lags demographic data in this revenue category, but the noted lag is similar to other comparable banks. Specifically, examiners reviewed recent CRA performance evaluations for three comparable institutions operating in this market. Home Bank and Trust Company's lending performance was similar to these comparable banks' lending to businesses with revenues of $1 million or less, which lagged demographic data by an average of 14.5 percent.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	**% of Businesses**	**#**	**%**	**$(000s)**	**%**
<=$1,000,000	85.7	23	69.7	3,582	66.7
>$1,000,000	4.7	10	30.3	1,791	33.3
Revenue Not Available	9.7	0	0.0	0	0.0
Total	**100.0**	**33**	**100.0**	**5,373**	**100.0**
Source: 2023 D&B Data, Bank Data. Due to rounding, totals may not equal 100.0%					

GREENWOOD COUNTY ASSESSMENT AREA – Full-Scope Review

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

The assessment area is comprised of Greenwood County, which is located in the nonmetropolitan area of Kansas. The bank's main office, one branch office, and one drive-through facility are located in this assessment area.

Economic and Demographic Data

This assessment area consists of three census tracts, including one moderate- and two middle-income census tracts. Currently, the FFIEC has designated two of these tracts as distressed, middle-income geographies. An area is designated as distressed if it is in a county that meets one or more of the following triggers: an unemployment rate of a least 1.5 times the national average, a poverty rate of 20 percent or more, or 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. The following table illustrates select demographic characteristics of the Greenwood County Assessment Area.

Demographic Information of the Assessment Area						
Demographic Characteristics	**#**	**Low % of #**	**Moderate % of #**	**Middle % of #**	**Upper % of #**	**NA* % of #**
Geographies (Census Tracts)	3	0.0	33.3	66.7	0.0	0.0
Population by Geography	6,016	0.0	40.8	59.2	0.0	0.0
Housing Units by Geography	4,032	0.0	33.9	66.1	0.0	0.0
Owner-Occupied Units by Geography	2,069	0.0	34.4	65.6	0.0	0.0
Occupied Rental Units by Geography	626	0.0	53.2	46.8	0.0	0.0
Vacant Units by Geography	1,337	0.0	24.1	75.9	0.0	0.0
Businesses by Geography	593	0.0	41.5	58.5	0.0	0.0
Farms by Geography	69	0.0	15.9	84.1	0.0	0.0
Family Distribution by Income Level	1,703	20.3	21.9	18.9	38.9	0.0
Household Distribution by Income Level	2,695	25.2	22.7	16.0	36.1	0.0
Median Family Income Non-MSAs - KS		$65,467	Median Housing Value			$67,372
			Median Gross Rent			$574
			Families Below Poverty Level			8.0%

Source: 2020 U.S. Census and 2023 D&B Data
Due to rounding, totals may not equal 100.0%
(*) The NA category consists of geographies that have not been assigned an income classification.

The FFIEC's median family income figures for the nonmetropolitan area of Kansas were used to analyze home mortgage Borrower Profile performance. These figures along with the corresponding income thresholds are presented in the following table.

Median Family Income Ranges				
Median Family Incomes	**Low <50%**	**Moderate 50% to <80%**	**Middle 80% to <120%**	**Upper ≥120%**
KS NA Median Family Income (99999)				
2022 ($73,400)	<$36,700	$36,700 to <$58,720	$58,720 to <$88,080	≥$88,080
2023 ($79,900)	<$39,950	$39,950 to <$63,920	$63,920 to <$95,880	≥$95,880
Source: FFIEC				

Competition

There is limited competition for financial services in this assessment area. According to June 30, 2023 FDIC Deposit Market Share data, there are 5 banks operating 8 offices in the assessment area. Home Bank and Trust Company ranked second, with 28.7 percent of the market's deposits.

Credit Needs

Considering economic and demographic information, examiners determined that home mortgage loans are the primary credit need of the assessment area.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE GREENWOOD COUNTY ASSESSMENT AREA

LENDING TEST

Home Bank and Trust Company demonstrates satisfactory performance under the Lending Test in the Greenwood County Assessment Area. The bank's overall Geographic Distribution and Borrower Profile performance for home mortgage lending supports this conclusion.

Geographic Distribution

The geographic distribution of home mortgage loans reflects excellent dispersion throughout the Greenwood County Assessment Area. The following table indicates that the bank's lending performance in the moderate-income census tract notably exceeds aggregate and demographic data.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	$(000s)	%
Moderate						
2022	34.4	60.5	10	83.3	983	74.8
2023	34.4	--	11	68.8	619	46.6
Middle						
2022	65.6	39.5	2	16.7	332	25.2
2023	65.6	--	5	31.3	709	53.4
Totals						
2022	**100.0**	**100.0**	**12**	**100.0**	**1,314**	**100.0**
2023	**100.0**	**--**	**16**	**100.0**	**1,328**	**100.0**
Source: 2020 U.S. Census; Bank Data; 2022 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Borrower Profile

The distribution of borrowers reflects reasonable penetration among individuals of different income levels in the Greenwood County Assessment Area. As shown in the following table, there were a limited number of loans available for this analysis, and the bank did not make any loans to low-income borrowers in 2022. However, the bank's lending performance to low-income borrowers in 2023, and to moderate-income borrowers in 2022 and 2023 was reasonably comparable to aggregate and demographic data. Given the bank's overall performance, the distribution of home mortgage lending is reasonable.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	**% of Families**	**Aggregate Performance % of #**	**#**	**%**	**$(000s)**	**%**
Low						
2022	20.3	5.8	0	0.0	0	0.0
2023	20.3	--	3	18.8	146	11.0
Moderate						
2022	21.9	26.7	3	25.0	229	17.4
2023	21.9	--	2	12.5	321	24.2
Middle						
2022	18.9	16.3	1	8.3	157	11.9
2023	18.9	--	3	18.8	201	15.2
Upper						
2022	38.9	33.7	6	50.0	894	68.0
2023	38.9	--	6	37.5	522	39.3
Not Available						
2022	0.0	17.4	2	16.7	35	2.7
2023	0.0	--	2	12.5	138	10.4
Totals						
2022	**100.0**	**100.0**	**12**	**100.0**	**1,314**	**100.0**
2023	**100.0**	**--**	**16**	**100.0**	**1,327**	**100.0**
Source: 2020 U.S. Census; Bank Data; 2022 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

APPENDICES

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.