

# **PUBLIC DISCLOSURE**

**March 25, 2024**

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**Town & Country Bank**

**RSSD # 3067929**

**8620 West Tropicana Avenue**

**Las Vegas, Nevada, 89147**

**Federal Reserve Bank of San Francisco**

**101 Market Street**

**San Francisco, California 94105**

*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 the 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 Community Reinvestment Act (CRA) Rating***

Town & Country Bank is rated **SATISFACTORY**.

The major factors supporting the institution's rating include:

- The loan-to-deposit (LTD) ratio is reasonable given the Bank's size, financial condition, and assessment area credit needs.
- The Bank made a majority of its small business loans within the assessment area.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.
- The distribution of borrowers reflects reasonable penetration among businesses of different revenue sizes.

## INSTITUTION

### Description of Institution

Town & Country Bank (TCB/Bank) is a community bank located in Las Vegas, Nevada and is a wholly owned subsidiary of West Point Bancorp, which is headquartered in West Point, Nebraska and also owns F&M Bank headquartered in Nebraska. The Banks under West Point Bancorp are run independently of each other; there is no shared management. TCB reported total assets of \$201.1 million as of December 31, 2023. The Bank has four branches including its headquarters, all of which are located within the Las Vegas-Henderson-Paradise MSA, which encompasses all of Clark County, Nevada.

The Bank is a full-service community bank focused on providing commercial banking products and services for its business customers. The Bank's target market is small to medium sized business, the owners and employees of these businesses, and other professionals in close proximity to the Bank's branch locations. Deposit products are traditional in nature (demand deposits, NOW Accounts, MMDA's and time deposits). The Bank offers limited mobile banking; customers must come into the branch offices to open an account or access the Bank's products and services. The Bank does not offer consumer lending products.

Exhibit 1 below represents the Bank's loan portfolio as of December 31, 2023, per the Bank's Consolidated Reports of Condition and Income, and illustrates the Bank's commercial lending focus with 84.1 percent of its loans consisting of either commercial and industrial loans or commercial real estate.

EXHIBIT 1 LOANS AND LEASES AS OF DECEMBER 31, 2023		
Loan Type	\$ ('000s )	%
Commercial/Industrial & Non-Farm Non-Residential Real Estate	106,924	84.1
Farm Land & Agriculture	1,025	0.8
Secured by 1-4 Family Residential Real Estate	3,656	2.9
Consumer Loans & Credit Cards	25	0.0
Construction & Land Development	7,181	5.6
All Other	3	0.0
Multi-Family Residential Real Estate	8,312	6.5
Total (Gross)	127,126	100.0

## Description of Operations

The Bank’s assessment area is Clark County, Nevada, which represents the complete Las Vegas-Henderson-Paradise assessment area. Clark County also represents the entirety of the Las Vegas-Henderson-Paradise Metropolitan Statistical Area (MSA). As of July 1, 2023, the population of the assessment area<sup>1</sup> is 2,336,573.<sup>2</sup>

As of June 30, 2023, the assessment area had 41 Federal Deposit Insurance Corporation (FDIC)-insured institutions operating 277 branches. TCB operated four branches in the assessment area and held \$181 million in deposits, representing 0.2 percent of the deposit market share.<sup>3</sup>

The following exhibit presents key demographic and business information used to help develop a performance context for the assessment area.

EXHIBIT 2 2023 LAS VEGAS HENDERSON PARADISE AA DEMOGRAPHICS									
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income		
	#	%	#	%	#	%	#	%	
<b>Low</b>	37	6.9	27,789	5.4	8,529	30.7	107,927	20.9	
<b>Moderate</b>	128	23.9	111,119	21.5	19,961	18.0	93,129	18.0	
<b>Middle</b>	209	39.1	211,668	41.0	15,048	7.1	104,516	20.2	
<b>Upper</b>	158	29.5	165,139	31.9	6,890	4.2	211,319	40.9	
<b>Unknown</b>	3	0.6	1,176	0.2	201	17.1	0	0.0	
<b>Total AA</b>	<b>535</b>	<b>100.0</b>	<b>516,891</b>	<b>100.0</b>	<b>50,629</b>	<b>9.8</b>	<b>516,891</b>	<b>100.0</b>	
	<b>Housing Units by Tract</b>	Housing Type by Tract							
		Owner-occupied			Rental		Vacant		
		#	% by tract	% by unit	#	% by unit	#	% by unit	
<b>Low</b>	62,577	10,786	2.4	17.2	42,756	68.3	9,035	14.4	
<b>Moderate</b>	223,075	69,631	15.7	31.2	123,309	55.3	30,135	13.5	
<b>Middle</b>	356,913	189,292	42.7	53.0	134,765	37.8	32,856	9.2	
<b>Upper</b>	267,876	172,650	39.0	64.5	64,273	24.0	30,953	11.6	

<sup>2</sup> U.S. Census Bureau, QuickFacts, Population Estimates, July 1, 2023; available from: [www.census.gov/quickfacts/](http://www.census.gov/quickfacts/).

<sup>3</sup> FDIC, Summary of Deposits; available from <https://www7.fdic.gov/sod/sodMarketRpt.asp?barItem=2>.

<b>Unknown</b>	2,024	888	0.2	43.9	676	33.4	460	22.7
<b>Total AA</b>	<b>912,465</b>	<b>443,247</b>	<b>100.0</b>	<b>48.6</b>	<b>365,779</b>	<b>40.1</b>	<b>103,439</b>	<b>11.3</b>
	<b>Total Businesses by Tract</b>		<b>Businesses by Tract &amp; Revenue Size</b>					
			<b>Less Than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
<b>Low</b>	3,901	4.5	3,589	4.4	282	5.2	30	4.0
<b>Moderate</b>	20,311	23.2	18,541	22.8	1,613	29.6	157	20.8
<b>Middle</b>	32,196	36.7	30,189	37.1	1,747	32.0	260	34.5
<b>Upper</b>	31,002	35.4	28,894	35.5	1,806	33.1	302	40.1
<b>Unknown</b>	216	0.2	207	0.3	5	0.1	4	0.5
<b>Total AA</b>	<b>87,626</b>	<b>100.0</b>	<b>81,420</b>	<b>100.0</b>	<b>5,453</b>	<b>100.0</b>	<b>753</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				<b>92.9</b>		<b>6.2</b>		<b>0.9</b>
	<b>Total Farms by Tract</b>		<b>Farms by Tract &amp; Revenue Size</b>					
			<b>Less Than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
<b>Low</b>	9	2.4	9	2.5	0	0.0	0	0.0
<b>Moderate</b>	68	18.4	65	17.9	3	42.9	0	0.0
<b>Middle</b>	116	31.4	112	30.9	4	57.1	0	0.0
<b>Upper</b>	177	47.8	177	48.8	0	0.0	0	0.0
<b>Unknown</b>	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>370</b>	<b>100.0</b>	<b>363</b>	<b>100.0</b>	<b>7</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>
<b>Percentage of Total Farms:</b>				<b>98.1</b>		<b>1.9</b>		<b>0.0</b>
Source: 2023 FFIEC Census Data								
2023 Dun & Bradstreet Data								
2016-2020 U.S. Census Bureau: American Community Survey								
Note: Percentages may not total 100.0 percent due to rounding.								

## Economic Conditions

The assessment area is dominated by the leisure/hospitality industry and is one of the least diverse large metro areas in the U.S., but new opportunities are slowly emerging<sup>4</sup>. Secondary industries include health care, and the e-commerce boom in the nation is driving an expansion of logistics and warehousing industries in the area due to the relatively cheap cost of land, making the area an advantageous location for businesses looking for distribution sites. In addition, manufacturing has expanded. For example, in 2019, Google broke ground on a new

<sup>4</sup> Moody's Analytics, Precis Report, Las Vegas-Henderson-Paradise, NV November 2018.

\$600.0 million facility. Low business costs are drawing more employers from nearby California and Arizona. The region's popularity as a retirement destination is expected to continue to support population growth in the county<sup>5</sup>. This is expected to generate additional growth in the health care industry as the fast-growing 65-and older population cohort tends to be the largest consumers of health services<sup>6</sup>.

In 2019, the assessment area was one of the West's top performers economically. Employment in the leisure/hospitality area was rising steadily. Commercial development was boosting construction payrolls and factory employment continued to benefit from new manufacturing operations in Clark County<sup>7</sup>. The labor force grew at double the national pace<sup>8</sup>.

The COVID-19 pandemic severely impacted the tourism-dependent economy of the county. Payroll employment plummeted 23 percent at the peak of the pandemic in April 2020, with a 45 percent decline in leisure/hospitality employment largely driving the decline<sup>9</sup>. In 2021, recovery began as tourism grew rapidly upon the reopening of leisure and hospitality services<sup>10</sup>. Consumer spending, both in-person and online, helped retail and logistics employment surpass pre-crisis levels.<sup>11</sup>

By 2023, the county was fully recovered from pandemic-related economic conditions, with job growth outpacing both regional and national averages. Leisure/hospitality employment surpassed pre-pandemic levels due to a strong performance in tourism.<sup>12</sup> The Las Vegas Strip has been booming with activity due to new development increasing the metro area's hotel capacity, and high-profile events that have attracting new tourists. Conventions, the Super bowl, a Formula 1 race, and a resurgence in international visitations - a critical component of the gaming industry as international visitors tend to stay longer and spend more - contributed to a record-breaking year for sales and gaming tax revenues in 2023.<sup>13</sup> Other industries experienced growth as well, the most notable being health care. Expansions are ongoing at two private medical care locations, while the newly built West Henderson hospital is expected to open by year-end 2023. More medical professionals will be needed to staff these facilities.<sup>14</sup>

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<sup>5</sup> Moody's Analytics, Precis Report, Las Vegas-Henderson-Paradise, NV November 2019.

<sup>6</sup> Moody's Analytics, Precis Report, Las Vegas-Henderson-Paradise, NV November 2023.

<sup>7</sup> Moody's Analytics, Precis Report, Las Vegas-Henderson-Paradise NV November 2019.

<sup>8</sup> Ibid.

<sup>9</sup> Moody's Analytics, Precis Report, Las Vegas-Henderson-Paradise NV November 2020.

<sup>10</sup> Moody's Analytics, Precis Report, Las Vegas-Henderson-Paradise NV November 2021.

<sup>11</sup> Ibid.

<sup>12</sup> Moody's Analytics, Precis Report, Las Vegas-Henderson-Paradise NV November 2023.

<sup>13</sup> Ibid.

<sup>14</sup> Ibid

## Employment Statistics

Exhibit 3 reflects the unemployment rate of the Bank’s assessment area, the state of Nevada and national rate. The unemployment rate in the assessment area experienced a sharp increase in 2020 following the pandemic, before beginning to decline in 2021 and 2022. The area’s average unemployment rate was similar to the state average for the entirety of the review period, and recovery from the pandemic in the assessment area was on par with the state average during 2021. The majority of the population in Nevada lives within this assessment area. The other employment hub in the state is located in the Reno–South Lake Tahoe area. The overall higher rate of unemployment for the area when compared against the national average reflects the area’s primary dependence on the gaming industry.

EXHIBIT 3 UNEMPLOYMENT RATES ASSESSMENT AREA: LAS VEGAS–HENDERSON–PARADISE						
Area	2018	2019	2020	2021	2022	2023
Las Vegas–Henderson–Paradise	4.6%	4.3%	15.5%	7.9%	6.0%	5.2%
Nevada	4.4%	4.1%	13.5%	6.9%	5.4%	5.1%
National	4.0%	3.7%	14.8%	6.1%	3.6%	3.4%

Source: Bureau of Labor Statistics (BLS), Local Area Unemployment Statistics

## Population Change

Between 2015 and 2020, the overall population in the assessment area increased at a higher rate than the state as a whole, as reflected in Exhibit 4 below. Drivers of the population growth include demand for workers in the leisure/hospitality sector, but also for manufacturing, health care professionals and logistics related to e-commerce. Additionally, the area is a magnet for retirees based on the weather, the lack of a state income tax, and other desirable features helping to fuel the increase in population.

EXHIBIT 4 POPULATION CHANGE LAS VEGAS–HENDERSON–PARADISE			
Area	2015 Population	2020 Population	Percent Change
Las Vegas–Henderson–Paradise	2,035,572	2,265,461	11.3%
Nevada	2,798,636	3,104,614	10.9%

Source: 2011–2015 U.S. Census Bureau American Community Survey  
2020 U.S. Census Bureau Decennial Census



## Median Family Income Change

Between 2015 and 2020, the median family income of the area increased, although to a lesser degree than the state of Nevada as a whole. Exhibit 5 reflects the change in median family income that occurred during that timeframe. The 2020 Median Family Income reflects economic impacts related to the pandemic.

EXHIBIT 5 MEDIAN FAMILY INCOME CHANGE ASSESSMENT AREA: LAS VEGAS-HENDERSON-PARADISE			
Area	2015 Median Family Income	2020 Median Family Income	Percent Change
Las Vegas-Henderson-Paradise	\$65,547	\$71,896	9.7%
Nevada	\$66,555	\$74,077	11.3%
<i>Source: 2011 - 2015 U.S. Census Bureau American Community Survey 2016 - 2020 U.S. Census Bureau American Community Survey Median Family Incomes have been inflation-adjusted and are expressed in 2020 dollars.</i>			

## Small Business Lending

In March of 2020, the federal Paycheck Protection Program (PPP) was launched by the Treasury Department with the goal of helping small businesses survive the pandemic-related lockdowns.<sup>15</sup> As a result, growth in lending occurred within banks of all sizes nationwide. Overall, based on information from the San Francisco Federal Reserve Bank<sup>16</sup>, small banks increased lending to small businesses and small farms by an average of 23 percentage points more than expected during the first half of 2020, and lending by medium and large banks increased by 38 and 35 percentage points more than anticipated, respectively, during the same time period.<sup>17</sup> According to the borrower firms that elected to report their industry, most loans under \$1 million made as of August 2020 were made to businesses in the professional, scientific, and technical services industry, followed by other services (except public administration) industry, the health, automobile and social assistance industry, and the construction industry.<sup>18</sup>

<sup>15</sup> Federal Reserve Bank of San Francisco, Economic Letter, Small Business Lending during COVID-19, November 23, 2020; available from: <https://www.frbsf.org/economicresearch/publications/economic-letter/2020/november/small-business-lending-during-covid-19/>.

<sup>16</sup> Ibid.

<sup>17</sup> Federal Reserve Bank of San Francisco, Economic Letter, Small Business Lending during COVID-19, November 23, 2020; available from: <https://www.frbsf.org/economicresearch/publications/economic-letter/2020/november/small-business-lending-during-covid-19/>.

<sup>18</sup> SBA, PPP or Loan Data, 2020 Data Reports; Borrower firms self-reported data and had the option to abstain from reporting certain details of the loan application, therefore data may not capture some details of each loan made; available from: <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program>.

As depicted in Exhibit 6, the number of small business loans originated within the assessment area has increased steadily since the prior 2017 examination, with the pace of loan growth in the area exceeding the statewide trend. Specifically, small business loans in the area increased by 73.1 percent between 2017 and 2021, with the largest growth occurring in 2021. Within the state of Nevada, loans to small businesses increased by 60.8 percent during the same period. Lending to small businesses is critical for the support of the local economy given that small businesses represent 92.7 percent<sup>19</sup> of all businesses in the assessment area.

EXHIBIT 6 SMALL BUSINESS LOAN TRENDS ASSESSMENT AREA: LAS VEGAS-HENDERSON-PARADISE					
Area	2017	2018	2019	2020	2021
Las Vegas-Henderson-Paradise	40,669	43,785	49,647	57,597	70,410
Nevada	56,662	60,504	67,544	76,943	91,099

Source: Federal Financial Institutions Examination Council (FFIEC) Community Reinvestment Act Aggregate Data

## Housing Cost Burden

Exhibit 7 reflects the percentages of cost burdened renters and owners within the assessment area and statewide. In particular, the cost burden for all renters reflects the need for affordable housing in the county, almost half of all renters are spending 30 percent or more of their household income on rent. Affordable housing options for both low- and moderate-income individuals were scarce in the Las Vegas-Henderson-Paradise Assessment Area, with the greatest need being for low-income individuals and families. While the cost of housing has declined 10.0 percent in 2023 compared to a peak in May 2022, the area still has some of the most overvalued houses in the country.<sup>20</sup> However, it is projected that the growth in population, a vibrant job market and no state income tax will continue to make the area an attractive place to live. Demand for single family homes as well as condominiums and apartments are expected to remain robust.

EXHIBIT 7 HOUSING COST BURDEN ASSESSMENT AREA: LAS VEGAS-HENDERSON-PARADISE						
Area	Cost Burden - Renters			Cost Burden - Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Las Vegas-Henderson-Paradise	82.5%	64.4%	46.9%	66.1%	45.1%	23.8%

<sup>19</sup> 2022 Dun & Bradstreet data.

<sup>20</sup> Moody's Analytics, Precis Report, Las Vegas-Henderson-Paradise NV November 2023.

Nevada	81.0%	59.0%	45.4%	62.8%	42.1%	22.8%
<p><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), 2016-2020 Comprehensive Housing Affordability Strategy</i></p>						

## Credit and Community Development Needs

Small business financing and services for small business owners were identified as critical needs in the assessment area by a community contact with expertise in small business development. The local economy has largely rebounded from setbacks caused by the COVID-19 pandemic; however, high inflation, labor shortages, and other challenges persist for small businesses and startups in the Clark County area. Events including the National Football League Super Bowl and Formula-1 races are anticipated to provide significant, albeit short-term boosts to the local economy; however, many small businesses and entrepreneurs are in need of working capital and technical expertise to assist with developing business and marketing strategies to meet the increased demand and capitalize on this type of activity, according to the contact.

As indicated above, high levels of cost-burdened renters in the assessment area indicate that affordable housing is another critical community need. According to a study conducted by the Nevada Housing Division in September 2020, 54.0 percent of the approximately 355,000 renter households in Clark County were designated as either low-income, very low income, or extremely low-income households.<sup>21</sup> Approximately 73.0 percent of households designated as extremely low-income renter households, (or about 45,000 households), were experiencing severe rent burden at the time of the study. Additionally, approximately 46.0 percent of households in the very low-income group, constituting roughly 24,000 households, were experiencing severe rent burden.<sup>22</sup>

## Scope of Examination

TCB’s performance was evaluated in accordance with the *Interagency Small Institution CRA Examination Procedures*. Such evaluation was based upon the following performance criteria:

- Loan Volume compared to deposits (LTD Ratio).
- Lending inside versus outside the assessment area (Lending in Assessment Area).

<sup>21</sup> Rent burden statistics for Washoe and Clark County, Nevada Housing Division, available from: <https://housing.nv.gov/uploadedFiles/housingnewnv.gov/Content/Programs/HDB/HDB223RentBurdenStatisticsForWashoeAndClark20200901.pdf>.

<sup>22</sup> Ibid.

- Dispersion of lending throughout the assessment area (Lending Distribution by Geography); and
- Lending to businesses of different sizes (Lending Distribution by Business Revenue).

The evaluation was based on a representative sample of small business loans originated or renewed from November 28, 2016 through March 25, 2024. Specifically, a total of 39 small business loans were considered in the evaluation of Lending in the assessment area. Of these, 71.8 percent of small business loans were extended within the Bank's assessment area and were used in the analysis of Lending Distribution by Business Revenue.

The Bank's responsiveness to consumer complaints was not evaluated since the Bank did not receive any complaints related to its CRA performance during the review period.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

### ***Loan-to-Deposit Ratio***

The Bank's average Loan-to-Deposit (LTD) ratio for the 28-quarter ending December 31, 2023, was 69.3 percent. While this is markedly lower than the overall host state LTD of 81.0 percent as of June 30, 2023 (the most recent data available for host state loan-to-deposit ratios), it is considered reasonable when viewed in context of economic factors that impacted the Bank over the measurement period.

To effectively assess the Bank's performance, the impact of PPP lending must be considered: As of June 30, 2020, the Bank's LTD was 81.8 percent, reflecting its active participation in PPP lending. By March 30, 2022, these PPP loans had largely been paid off as the program wound down, while the deposits gained through these lending relationships remained in place at the bank. The Bank's quarterly LTD has been steadily improving as it has deployed those deposits to offer new loans as lending opportunities in the tourism-dependent assessment area has improved. As of December 31, 2023, the bank's LTD had improved to 73.5 percent.

The LTD ratio for TCB was also compared against four peer banks operating in the same assessment areas with similar lending products. The dates of four Banks' CRA performance evaluations did not match the evaluation period of this evaluation and could therefore not provide a direct comparison.

### ***Lending in Assessment Area***

The Bank originated a majority of its sampled small business loans within its assessment area. In general, when viewing lending patterns, the number of loans versus the dollar value of loans is viewed as a better proxy illustrating lending activity. Approximately 71.8 percent in number of the Bank's sampled loans were originated within the assessment area, as reflected in Exhibit 8 on the following page.

Geographically, the loans originated outside the assessment area during the review period were primarily based in California. The number of loans located in California increased due to two primary factors. The Bank's new president joined during the review period and brought California lending relationships to the Bank. In addition, lending was adversely impacted during the review period within the Bank's assessment area due to its heavy reliance on the

entertainment and service industries which were severely curtailed during the pandemic years, and California’s more diverse markets provided more lending opportunities.

EXHIBIT 8 LENDING INSIDE AND OUTSIDE THE ASSESSMENT AREAS								
Loan Type	Inside				Outside			
	#	%	\$(‘000s)	%	#	%	\$(‘000s)	%
Small Business	28	71.8	\$13,401	74	11	28.2	\$4,713	26
<b>Total Small Business Related</b>	<b>28</b>	<b>71.8</b>	<b>\$13,401</b>	<b>74</b>	<b>11</b>	<b>28.2</b>	<b>\$4,713</b>	<b>26</b>
<b>Total Loans</b>	<b>28</b>	<b>71.8</b>	<b>\$13,401</b>	<b>74</b>	<b>11</b>	<b>28.2</b>	<b>\$4,713</b>	<b>26</b>

## Lending Distribution by Geography

The Bank’s lending reflects a reasonable dispersion of small business loans. Exhibits 9 & 10 below illustrate the Bank’s small business lending by census tract income level. Exhibit 9 below shows the distribution of loans throughout income census tracts for 2022 and 2023 and Exhibit 10 shows the same information for the years 2020 and 2021. Lending for 2022 and 2023 was weighted more heavily when reaching conclusions, as it reflects the bank’s most recent lending activity.

EXHIBIT 9 DISTRIBUTION OF 2022 AND 2023 SMALL BUSINESS LENDING BY INCOME LEVEL OF GEOGRAPHY ASSESSMENT AREA: LAS VEGAS HENDERSON PARADISE											
Geographic Income Level	Bank And Aggregate Loans By Year										Total Businesses %
	2022						2023*				
	Bank		Agg	Bank		Agg	Bank				
	#	#%	#%	\$(000)	%	%	#	#%	\$(000)	%	
<b>Low</b>	0	0.0	3.2	0	0.0	3.9	1	20.0	325	16.0	4.5
<b>Moderate</b>	5	35.7	22.4	2,424	38.7	24.3	2	40.0	1,210	59.5	23.2
<b>Middle</b>	3	21.4	34.6	261	4.2	32.6	0	0.0	0	0.0	36.7
<b>Upper</b>	6	42.9	39.4	3,576	57.1	39.0	2	40.0	500	24.6	35.4
<b>Unknown</b>	0	0.0	0.2	0	0.0	0.1	0	0.0	0	0.0	0.2
<b>Tract-Unk</b>	0	0.0	0.2	0	0.0	0.1	0	0.0	0	0.0	0.0
<b>Total</b>	14	100.0	100.0	6,261	100.0	100.0	5	100.0	2,035	100.0	100.0

Source: 2023 FFIEC Census Data  
2023 Dun & Bradstreet Data  
2016-2020 U.S. Census Bureau: American Community Survey  
Note: Percentages may not total 100.0 percent due to rounding. \*Aggregate data is not currently available.

EXHIBIT 10 DISTRIBUTION OF 2020 AND 2021 SMALL BUSINESS LENDING BY INCOME LEVEL OF GEOGRAPHY ASSESSMENT AREA: LAS VEGAS HENDERSON PARADISE													
Geograph ic Income Level	Bank And Aggregate Loans By Year												Total Businesse s %
	2020						2021						
	Bank		Agg		Bank		Agg		Bank		Agg		
	#	#%	#%	\$(000)	%	%	#	#%	#%	\$(000)	%	%	
<b>Low</b>	0	0.0	2.9	0	0.0	3.0	0	0.0	3.0	0	0.0	3.3	3.9
<b>Moderate</b>	1	33.3	18.3	652	32.7	21.9	1	50.0	18.3	165	15.5	21.3	21.7
<b>Middle</b>	2	66.7	38.2	1,340	67.3	39.2	1	50.0	38.7	900	84.5	39.3	38.5
<b>Upper</b>	0	0.0	40.0	0	0.0	35.2	0	0.0	39.3	0	0.0	35.4	35.3
<b>Unknown</b>	0	0.0	0.3	0	0.0	0.5	0	0.0	0.4	0	0.0	0.6	0.6
<b>Tract-Unk</b>	0	0.0	0.2	0	0.0	0.3	0	0.0	0.3	0	0.0	0.1	
<b>Total</b>	3	100.0	100.0	1,992	100.0	100.0	2	100.0	100.0	1,065	100.0	100.0	100.0

Source: 2021 FFIEC Census Data  
2021 Dun & Bradstreet Data  
2011-2015 U.S. Census Bureau: American Community Survey  
Note: Percentages may not total 100.0 percent due to rounding.

## Lending Distribution by Borrower Income and Business Revenue

For 2022, TCB did not originate any loans in low-income census tracts. By comparison, 3.2 percent of aggregate small business loans within the assessment area were made within low-income tracts in 2022. It should be noted that the total number of businesses operating in low-income census tracts was only 4.5 percent, reflecting limited lending opportunities within these tracts. In 2023, one of the Bank’s five sampled loans (20.0 percent) was in a low-income census tract.

TCB’s lending in moderate-income census tracts for 2022 was 35.7 percent by number of loans. This exceeded aggregate lending (22.4 percent) within these tracts. The Bank’s lending within moderate-income tracts improved to 40.0 percent in 2023. When viewed against the total number of businesses within moderate income census tracts (23.2 percent), the Bank is outperforming against aggregate and number of businesses in moderate-income census tracts.

TCB’s lending distribution by businesses of different revenue sizes is reasonable. As reflected in Exhibit 11 on the following page, the Bank originated 42.9 percent of its sampled small business loans to businesses with revenues of \$1 million or less in 2022. While this significantly lower than demographic indicators, as 92.9 percent of area businesses are of these smaller revenue sizes, the Bank’s performance in 2022 was only slightly lower than aggregate

performance, (48.7 percent). Two of the Bank’s five sampled loans (40.0 percent) were originated to these smaller businesses in 2023.

An opportunity for TCB exists in small dollar lending. The Bank’s results were skewed towards larger loans, with loans under \$100,000 far below aggregate numbers for that lending space. Only 14.3 percent of loan originated in 2022 were \$100,000 or less, far below the aggregate number of 96.7 percent. The vast majority of originated loans were in sizes of \$250,000 to \$1.0 million (64.3 percent versus an aggregate of 1.3 percent). Smaller dollar loans, especially those under \$100,000 can be crucial to meeting the needs of small businesses within the bank’s AA.

EXHIBIT 11											
DISTRIBUTION OF 2022 AND 2023 SMALL BUSINESS LENDING BY REVENUE SIZE OF BUSINESSES											
ASSESSMENT AREA: LAS VEGAS HENDERSON PARADISE											
	Bank And Aggregate Loans By Year										Total Businesses %
	2022						2023*				
	Bank		Agg		Bank		Agg		Bank		
	#	%	#%	\$(000)	%	%	#	%	\$(000)	%	
By Revenue											
\$1 Million or Less	6	42.9	48.7	2,095	33.5	30.7	2	40.0	460	22.6	92.9
Over \$1 Million	5	35.7		2,742	43.8		2	40.0	1,250	61.4	6.2
Revenue Unknown	3	21.4		1,425	22.8		1	20.0	325	16.0	0.9
<b>Total</b>	14	100.0		6,261	100.0		5	100.0	2,035	100.0	100.0
By Loan Size											
\$100,000 or Less	2	14.3	96.7	121	1.9	56.2	0	0.0	0	0.0	
\$100,001 - \$250,000	3	21.4	2.0	527	8.4	13.6	3	60.0	710	34.9	
\$250,001 - \$1 Million	9	64.3	1.3	5,614	89.7	30.2	2	40.0	1,325	65.1	
<b>Total</b>	14	100.0	100.0	6,261	100.0	100.0	5	100.0	2,035	100.0	
By Loan Size and Revenues \$1 Million or Less											
\$100,000 or Less	0	0.0		0	0.0		0	0.0	0	0.0	
\$100,001 - \$250,000	2	33.3		340	16.2		2	100.0	460	100.0	
\$250,001 - \$1 Million	4	66.7		1,755	83.8		0	0.0	0	0.0	



<b>Total</b>	6	100.0		2,095	100.0		2	100.0	460	100.0	
<i>Source: 2023 FFIEC Census Data                  2023 Dun &amp; Bradstreet Data                  2016-2020 U.S. Census Bureau: American Community Survey                  Note: Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.</i>											
<b>By Loan Size and Revenues \$1 Million or Less</b>											
<b>\$100,000 or Less</b>	0	0.0		0	0.0		0	0.0		0	0.0
<b>\$100,001 - \$250,000</b>	0	0.0		0	0.0		1	50.0		165	15.5
<b>\$250,001 - \$1 Million</b>	2	100.0		1,332	100.0		1	50.0		900	84.5
<b>Total</b>	2	100.0		1,332	100.0		2	100.0		1,065	100.0
<i>Source: 2021 FFIEC Census Data                  2021 Dun &amp; Bradstreet Data                  2011-2015 U.S. Census Bureau: American Community Survey                  Note: Percentages may not total 100.0 percent due to rounding.</i>											

## **Response to Complaints**

TCB did not receive any CRA-related complaints during the review period. Accordingly, the Bank’s performance in responding to complaints was not considered in evaluating its overall CRA performance.

## **Fair Lending or Other Illegal Practices Review**

Concurrent with this CRA evaluation, the Federal Reserve conducted a review of the Bank's compliance with consumer protection laws and regulations and found no violations of the substantive provisions of anti-discrimination, fair lending, or other illegal credit practice rules, laws or regulations that were inconsistent with helping to meet community credit needs.

## GLOSSARY OF TERMS

**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.

**Census tract:** A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of MSA. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon 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 development:** All Agencies have adopted the following language. Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet 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; or, activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the FDIC have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize:

- (i) Low- or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, FDIC, and Office of the Comptroller of the Currency, based on:
  - a. Rates of poverty, unemployment, and population loss; or
  - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

**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.

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male householder and no wife present) or 'female householder' (a family with a female householder and no husband present).

**Full-scope review:** Performance under the lending and community development tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, 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 MSA to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (for example, 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 refinancings of home improvement and home purchase loans.

**Household:** Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

**Limited-scope review:** Performance under the lending and community development tests is analyzed using only quantitative factors (for example, 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.

**Metropolitan area (MA):** A MSA or a metropolitan division (MD) as defined by the Office of Management and Budget. A 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. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a 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.

**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.

**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 loan(s) to business(es):** A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. 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):** A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

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