PUBLIC DISCLOSURE

May 1, 2023

COMMUNITY REINVESTMENT ACT

PERFORMANCE EVALUATION

Guaranty Bank
RSSD# 3804535

2006 South Glenstone Avenue
Springfield, Missouri 65804

Federal Reserve Bank of Chicago

230 South LaSalle Street
Chicago, Illinois 60604-1413

NOTE: This document is an evaluation of this bank'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 bank. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this bank. The rating assigned to this bank does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial bank.

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INSTITUTION'S CRA RATING

Guaranty Bank is rated: Satisfactory
The Lending Test is rated: Satisfactory
The Community Development Test is rated: Outstanding

Guaranty Bank is meeting the credit needs of its assessment area based on an analysis of lending and community development activities. The loan-to-deposit (LTD) ratio is more than reasonable given the bank's size, financial condition, and assessment area credit needs. A majority of loans is originated in the bank's delineated assessment areas. The geographic distribution of loans reflects reasonable dispersion throughout the assessment areas and loan distribution reflects reasonable penetration among borrowers of different income levels, including low- and moderate-income, and to businesses of different revenue sizes. Neither Guaranty Bank nor this Reserve Bank received any CRA-related complaints since the previous evaluation.

The bank's community development performance demonstrates excellent responsiveness to the community development needs of its delineated assessment areas through community development loans, donations, qualified investments, and community development services.

SCOPE OF EXAMINATION

Guaranty Bank's CRA performance was evaluated using the Intermediate Small Institution Examination Procedures issued by the Federal Institutions Examination Council (FFIEC). The evaluation was performed within the context of information about the institution and its assessment areas, including the bank's asset size, financial condition, competition, and economic and demographic characteristics.

The bank maintains two delineated assessment areas including a portion of the Springfield, Missouri Metropolitan Statistical Assessment Area (MSA) #44180 (Springfield MSA); and the Joplin, Missouri MSA #27900 (Joplin MSA). A full scope evaluation was conducted for both assessment areas based on the bank's deposit market share, branch concentration, and volume of lending. The bank's Joplin MSA assessment area carried less weight in the analysis, however, based on the number of branches, volume of lending within the assessment area, and length of time the institution has operated in the assessment area. On April 2, 2022, the bank formerly known as Springfield First Community Bank merged with Guaranty Bank and, after the merger, retained the Guaranty Bank name. The merger resulted in an expansion of the bank's combined assessment area to include a larger portion of the Springfield, Missouri MSA #44180 and all of the Joplin, Missouri MSA #27900. The bank has taken the Joplin MSA as part of its combined assessment area for approximately a year.

Loan products reviewed include Home Mortgage Disclosure Act (HMDA)-reportable loans from January 1, 2021 to December 31, 2022; and a sample of small business loans from January 1, 2022 to

December 31, 2022. However, only 2022 HMDA-reportable loans were reviewed for the Joplin MSA since the bank expanded into this assessment area after the merger in April 2022, and there was minimal lending activity in the Joplin MSA prior to the merger. These products are considered the bank's primary business lines based on volume by number and dollar amount. The bank's level of community development activities, from January 21, 2020 to May 1, 2023, was also evaluated. However, community development activities between January 21, 2020 and February 24, 2020 for the former Guaranty Bank were not evaluated or included in this performance evaluation. This is based on the fact community development activities of the former Guaranty Bank for this period were previously evaluated in the performance evaluation dated February 24, 2020, conducted by the Federal Deposit Insurance Corporation.

Performance within the designated assessment areas was evaluated using intermediate-small bank examination procedures based on the following performance criteria:

- ***Loan-to-Deposit Ratio*** – A 15-quarter average loan-to-deposit ratio ending December 31, 2022, was calculated for the bank and compared to a sample of local competitors.

- ***Lending in the Assessment Area*** – The bank's HMDA-reportable loans originated from January 1, 2021 to December 31, 2022, and a statistical sample of small business loans originated from January 1, 2022 to December 31, 2022, were reviewed to determine the percentage of loans originated within the assessment area.

- ***Geographic Distribution of Lending in the Assessment Area*** – The bank's HMDA-reportable loans originated from January 1, 2021 to December 31, 2022, and a statistical sample of small business loans originated from January 1, 2022 to December 31, 2022, were analyzed to determine the extent to which the bank is making loans in geographies of different income levels, particularly those designated as low- and moderate-income.

- ***Lending to Borrowers of Different Income and to Businesses of Different Sizes*** – The bank's HMDA-reportable loans originated from January 1, 2021 to December 31, 2022, and a statistical sample of small business loans originated from January 1, 2022 to December 31, 2022, were reviewed to determine the distribution among borrowers of different income levels, particularly those considered low- or moderate-income, and to businesses with different revenue sizes.

- ***Response to Substantiated Complaints*** – Complaints were reviewed to determine if any were related to the bank's record of helping to meet community credit needs and its responses to any received were evaluated for appropriateness.

- ***Community Development Activities*** – The bank's responsiveness to community development needs through community development loans, qualified investments, and community development services, from January 21, 2020 to May 1, 2023, were reviewed considering the capacity, need, and availability of such opportunities within the assessment area.

In addition, four community representatives were contacted in connection with this examination to provide information regarding local economic and socio-economic conditions in the assessment areas. The following types of organizations were contacted: economic development and affordable housing.

DESCRIPTION OF ASSESSMENT AREA

Guaranty Bank delineates two non-contiguous assessment areas in the state of Missouri. The Springfield, Missouri MSA #44180 (Springfield MSA) and the Joplin, Missouri MSA #27900 (Joplin MSA). The Springfield MSA assessment area includes Christian and Greene Counties in their entirety; and the Joplin, Missouri MSA assessment area includes Jasper and Newton Counties in their entireties. As noted earlier, the bank's combined assessment area has changed since the previous evaluation with the addition of the Joplin MSA. Within the combined assessment area, Springfield is the third largest city in the state of Missouri while Joplin is the fourth largest city in the state.

As of 2022, the combined assessment area includes a total of 139 census tracts including five low-income, 28 moderate-income, 69 middle-income, 35 upper-income, and two unknown-income census tracts. The unknown-income tracts were previously one tract that is now split into two tracts, as a result of revisions from the 2020 decennial census and 2016-2020 American Community Survey (ACS). The bank's low-income census tracts are home to 2,672 families, representing 1.9 percent of all families in the combined assessment area. The bank's moderate-income census tracts are home to 23,374 families, representing 16.3 percent of all families in the combined assessment area. There are 245,814 total housing units in the combined assessment area, of which 8,251 (3.4 percent) are located in low-income census tracts and 48,404 (19.7 percent) are located in moderate-income census tracts. Within the low-income census tracts 18.7 percent are owner-occupied, while 38.4 percent are owner-occupied within moderate-income census tracts. This indicates there are limited opportunities for home mortgage loans within low-income census tracts, but sufficient opportunities for home mortgage loans in moderate-income census tracts.

A total of 22,932 businesses are located in the combined assessment area, of which 331 (1.4 percent) and 5,054 (22.0 percent) are located in low- and moderate-income census tracts, respectively. Businesses with gross annual revenues of less than $1 million represent 91.2 percent of total businesses, evidencing numerous opportunities for small business lending in the combined assessment area.

Additional combined assessment area demographic information is provided in the following table.

2022 Combined Assessment Area AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	5	3.6	2,672	1.9	690	25.8	26,541	18.5
Moderate	28	20.1	23,374	16.3	4,841	20.7	26,813	18.7
Middle	69	49.6	75,198	52.5	6,251	8.3	30,996	21.7
Upper	35	25.2	41,764	29.2	1,666	4.0	58,794	41.1
Unknown	2	1.4	136	0.1	35	25.7	0	0.0
Total AA	**139**	**100.0**	**143,144**	**100.0**	**13,483**	**9.4**	**143,144**	**100.0**
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	8,251	1,544	1.1	18.7	5,955	72.2	752	9.1
Moderate	48,404	18,611	13.1	38.4	25,560	52.8	4,233	8.7
Middle	126,556	75,609	53.4	59.7	41,939	33.1	9,008	7.1
Upper	61,178	45,783	32.3	74.8	12,302	20.1	3,093	5.1
Unknown	1,425	27	0.0	1.9	1,273	89.3	125	8.8
Total AA	**245,814**	**141,574**	**100.0**	**57.6**	**87,029**	**35.4**	**17,211**	**7.0**
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = $1 Million		Over $1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	331	1.4	299	1.4	31	1.7	1	0.5
Moderate	5,054	22.0	4,361	20.8	665	36.4	28	15.2
Middle	11,609	50.6	10,720	51.2	780	42.7	109	59.2
Upper	5,540	24.2	5,184	24.8	311	17.0	45	24.5
Unknown	398	1.7	358	1.7	39	2.1	1	0.5
Total AA	**22,932**	**100.0**	**20,922**	**100.0**	**1,826**	**100.0**	**184**	**100.0**
Percentage of Total Businesses:				**91.2**		**8.0**		**0.8**
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = $1 Million		Over $1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	1	0.2	1	0.2	0	0.0	0	0.0
Moderate	25	5.3	24	5.1	1	25.0	0	0.0
Middle	312	66.2	309	66.2	3	75.0	0	0.0
Upper	131	27.8	131	28.1	0	0.0	0	0.0
Unknown	2	0.4	2	0.4	0	0.0	0	0.0
Total AA	**471**	**100.0**	**467**	**100.0**	**4**	**100.0**	**0**	**0.0**
Percentage of Total Farms:				**99.2**		**0.8**		**0.0**

Source: 2022 FFIEC Census Data
2022 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

DESCRIPTION OF INSTITUTION

Guaranty Bank is a wholly owned subsidiary of QCR Holdings, Inc., a multi-bank holding company, headquartered in Moline, Illinois. The bank's main office is located in Springfield, Missouri, where the bank operates 14 additional full-service branches and one loan production office. In addition, the bank maintains 14 full-service automated teller machines (ATMs). As previously stated, on April 2, 2022, the bank (formerly known as Springfield First Community Bank) merged with Guaranty Bank, expanding its branch network from its original one location.

According to the Uniform Bank Performance Report (UBPR), the bank reported total assets of $2.1 billion as of December 31, 2022. Guaranty Bank is primarily a commercial lender, with commercial loans representing 80.7 percent of total loans.

According to the June 30, 2022, Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report, Guaranty Bank ranked fourth out of 38 FDIC-insured financial institutions operating within the combined assessment area. The bank held roughly $1.5 billion in deposits, representing a market share of 8.5 percent. The financial institutions with the largest percentage of the deposit market share are Commerce Bank (11.3 percent), Great Southern Bank (10.8 percent), and The Central Trust Bank (8.7 percent).

The bank provides a variety of retail banking products that are available to all communities in its combined assessment area. Loan and deposit products are generally non-complex and include, but are not limited to, commercial, agricultural, adjustable-rate home mortgage and construction financing, home equity loans and home equity lines of credit, and consumer secured and unsecured loans. Additionally, the bank participates in various government-sponsored loan programs offered through the Small Business Administration (SBA), Veterans Administration (VA), and more recently the Paycheck Protection Program (PPP) in response to the COVID-19 pandemic. Deposit products and services include demand deposits, money market accounts, certificates of deposits, and overdraft protection. Customers may also conduct online banking transactions and apply for mortgage loans through the bank's website.

A breakdown of the bank's loan portfolio is provided in the following table.

Composition of Loan Portfolio as of December 31, 2022 ($ in 000's)		
Type	$	%
Residential Real Estate	167,098	10.0
Commercial	1,352,929	80.7
Agriculture	87,416	5.2
Consumer	43,385	2.6
Other	26,417	1.6
Total	1,677,245	100.0
Note: Percentages may not total 100.0 percent due to rounding.		

There are no known legal, financial or other factors impeding the bank's ability to help meet the credit needs in its communities.

The bank was rated satisfactory under the CRA at its previous evaluation conducted on January 21, 2020.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

LENDING TEST

Guaranty Bank's performance relative to the lending test is Satisfactory. The loan-to-deposit (LTD) ratio is more than reasonable given the bank's size, financial condition, and combined assessment area credit needs. A majority of HMDA-reportable and small business loans were originated in the combined assessment area. The geographic distribution of loans reflects reasonable dispersion throughout the assessment areas, and the distribution of loans reflects reasonable penetration among individuals of different income levels, including low- and moderate-income, and to businesses of different revenue sizes. Finally, no CRA-related complaints were received by Guaranty Bank nor this Reserve Bank since the previous evaluation.

The bank's lending test performance in the Springfield MSA assessment area carries more weight in the overall performance based on the concentration of deposits and loan volume, number of branches, as well as the length of time the bank has operated in this assessment area.

Loan-to-Deposit Ratio

Guaranty Bank had a more than reasonable loan-to-deposit ratio (considering seasonal variations) given the bank's size, financial condition, the credit needs of its assessment areas, and taking into account other lending-related activities such as loan originations for sale to the secondary markets and community development loans and qualified investments. As of December 31, 2022, the bank's

15-quarter average LTD was 103.6 percent, which was higher than its local competitors.

The following table compares the bank's LTD ratio to its local competitors, as well as the average of its peer group.

Comparative Loan-to-Deposit Ratios as of December 31, 2022	
Comparative Data	**15 Quarter Average (%)**
Guaranty Bank	103.6
Peer Avg – Local	91.5
Competitors	
Sullivan Bank	96.9
Southern Bank	95.9
Legacy Bank and Trust Company	95.2
Hawthorn Bank	92.6
Bank of Missouri	77.0

Assessment Area Concentration

Guaranty Bank originated a majority of its loans, and as appropriate, other lending-related activities in the bank's assessment areas. The bank originated 72.9 percent of its total loans by number and 57.0 percent by dollar inside the combined assessment area during the review period. The bank originated 74.5 percent by number and 48.8 percent by dollar of its HMDA-reportable (home mortgage) loans inside its assessment areas. The bank is primarily a commercial lender, with some home mortgage lending to its commercial borrowers. In this context, the bank originated 73.6 percent by number and 77.4 percent by dollar of its small business loans inside its assessment areas. Overall, the percentage of HMDA-reportable and small business originations within the assessment areas indicates the bank is serving the credit needs of the community.

The following table summarizes the bank's lending inside and outside its assessment area for HMDA-reportable loans from January 1, 2021, to December 31, 2022, and a statistical sample of small business loans from January 1, 2022, to December 31, 2022.

Loan Types	Inside				Outside			
	#	%	$(000s)	%	#	%	$(000s)	%
Home Improvement	7	70.0	$661	60.2	3	30.0	$437	39.8
Home Purchase - Conventional	437	77.3	$95,145	73.7	128	22.7	$33,996	26.3
Home Purchase - FHA	69	60.5	$13,580	65.5	45	39.5	$7,151	34.5
Home Purchase - VA	13	56.5	$3,608	50.5	10	43.5	$3,541	49.5
Multi-Family Housing	35	47.3	$72,081	26.4	39	52.7	$200,958	73.6
Refinancing	372	79.8	$67,810	78.2	94	20.2	$18,901	21.8
Total HMDA related	**933**	**74.5**	**$252,885**	**48.8**	**319**	**25.5**	**$264,984**	**51.2**
Small Business	721	73.6	$164,064	77.4	259	26.4	$47,910	22.6
Total Small Bus. related	**721**	**73.6**	**$164,064**	**77.4**	**259**	**26.4**	**$47,910**	**22.6**
Small Farm	76	54.3	$8,330	50.8	64	45.7	$8,070	49.2
Total Small Farm related	**76**	**54.3**	**$8,330**	**50.8**	**64**	**45.7**	**$8,070**	**49.2**
TOTAL LOANS	**1,730**	**72.9**	**$425,279**	**57.0**	**642**	**27.1**	**$320,964**	**43.0**

Geographic and Borrower Distribution

Guaranty Bank demonstrated a reasonable geographic distribution of loans given the bank's assessment areas. The bank’s distribution of loans to and, as appropriate, other lending-related activities for individuals of different income levels (including low- and moderate-income individuals) and to businesses of different sizes is reasonable given the demographics of the bank’s assessment areas. Additional information regarding the bank’s geographic and borrower distribution is found within the respective full-review assessment area sections below.

Response to Complaints

The bank or this Reserve Bank has not received any CRA-related complaints since the previous examination.

COMMUNITY DEVELOPMENT TEST

The bank’s performance relative to the community development test is Outstanding. The bank’s community development test performance in the Springfield MSA assessment area carries more weight in the overall performance based on the concentration of deposits, loan volume, and branches in this assessment area.

Lending, Investment, and Services Activities

Guaranty Bank demonstrates excellent responsiveness to the community development needs of its assessment areas through community development loans, qualified investments, qualified donations, and community development services.

During the evaluation period, the bank originated 173 community development loans for a total of $542 million. This includes 85 loans within the Springfield MSA totaling $222 million, seven loans within the Joplin MSA totaling $23 million, and 81 loans outside of the bank's combined assessment area totaling $297 million that are considered enhancements to the bank's performance within its delineated assessment areas. Because the bank was deemed to have been responsive to community development credit needs of its assessment area, examiners also considered community development lending outside of the assessment area in this performance evaluation. Community development loans within the combined assessment area primarily focused on affordable housing projects and loans intended to revitalize and stabilize low- and moderate-income areas. Community development loans outside the combined assessment area were primarily for affordable housing projects throughout the country, including in the state of Missouri.

Guaranty Bank made 11 qualified investments totaling nearly $6.6 million. The bank also provided 176 qualified donations totaling $289,994 to organizations which primarily focus on community services tailored to meet the needs of low-and moderate-income individuals and households in the bank's assessment areas.

The bank's staff also provided 3,255 community development service hours to over 700 different organizations. A majority of the service hours were dedicated to organizations with a community service focus and economic development. Through these service hours, these organizations received assistance with financial planning while also providing essential services to programs that support low- and moderate-income individuals. Lastly, bank employees served as valuable resources and provided financial expertise while serving as board or committee members for a majority of these organizations.

Additional information with respect to the bank's community development activities is found within the individual assessment area discussions.

Community Development Activities January 21, 2020 – May 1, 2023								
Assessment Area	**Loans**		**Investments**		**Donations**		**Services**	
	#	$	#	$	#	$	#	Hours
Full Review								
Springfield MSA	85	221,593,673	7	3,328,617	145	256,099	685	3,050
Joplin MSA	7	23,124,650	0	0	29	32,145	36	189
Outside of Bank's AA	81	297,055,133	4	3,233,151	1	250	2	16
Total Qualified	**173**	**541,773,456**	**11**	**6,561,768**	**175**	**288,494**	**723**	**3,255**

SPRINGFIELD, MISSOURI MSA #44180 AREA– FULL REVIEW

SCOPE OF EXAMINATION

Full scope examination procedures were used to evaluate the bank's performance in the Springfield, Missouri MSA. The scope is consistent with the scope of examination described within the institution summary. For further information, refer to the "Scope of Examination" section for details.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN SPRINGFIELD, MISSOURI MSA #44180[1]

The bank's Springfield MSA assessment area consists of Christian and Greene Counties in their entireties. The bank does not include Dallas, Polk, or Webster Counties in its delineated assessment area, which are also a part of the Springfield, Missouri MSA #44180. The bank previously delineated a portion of Greene County which included the city of Springfield but, as noted earlier, has now added the remainder of Greene County as well as Christian County to its assessment area subsequent to the merger in April 2022.

In addition to a change in the assessment area delineation since the previous evaluation, the composition and total number of census tracts has also changed, a result of revisions from the 2020 decennial census and 2016-2020 American Community Survey (ACS). Based on the 2022 FFIEC Census Data, the Springfield MSA assessment area is comprised of 97 total census tracts, including five low-, 21 moderate-, 40 middle-, 29 upper-income, and two unknown-income census tracts. The unknown census tracts are located in downtown Springfield and were previously one combined census tract. After the tract was divided, income information for the new tracts has not been made available. The Census Tract Designation Changes table below shows changes in the income designation of census tracts by income since the previous performance evaluation, as well as the impact of changes in the assessment area since the previous performance evaluation.

The median family income levels (MFI) for census tracts are calculated using the income data from the United States Census Bureau's American Community Survey and geographic definitions from the Office of Management and Budget (OMB) and are updated approximately every five years (.12(m) Income Level). The income data used to calculate geographic income designations changed between 2021 and 2022. Accordingly, lending activity that took place in calendar years up to and including 2021 are evaluated based on ACS income level definitions from the five-year survey data set 2011-2015. Lending activity performed in 2022 and beyond are evaluated based on ACS income level definitions from the five-year survey data set 2016-2020.

[1] *Census tract designations are based on American Community Survey income data. For years 2022 and after, the designations are based on 2016-2020 ACS data. For years 2021 and before, the designations are based on 2011-2015 ACS data. For examinations that include performance before and after 2022, both sets of data have been used to perform the analysis of bank activity in the respective timeframes.*

Census Tract Designation Changes American Community Survey Data (ACS)			
Tract Income Designation	**2021 Designations (#)**	**2022 Designations (#)**	**Net Change (#)**
Low	5	5	0
Moderate	19	21	2
Middle	38	40	2
Upper	13	29	16
Unknown	1	2	1
Total	76	97	21
Source: U. S. Census Bureau: Decennial Census: American Community Survey Data: 2011-2015 *U.S. Census Bureau: Decennial Census: America Community Survey Data: 2016-2020*			

Since the merger in April 2022, the bank has closed two branches in the assessment area. The Springfield MSA assessment area currently includes the bank's main office, nine additional branch locations (each with a full-service ATM), and one loan production office. One branch is located in a low-income census tract, three branches are located in moderate-income census tracts, four branches are located in middle-income census tracts, and two branches are located in upper-income census tracts. The bank's main office is one of the two branches located in an upper-income census tract.

Based on the 2021 FFIEC Census Data, the bank's low-income census tracts are home to 3,596 families, representing 3.9 percent of all families in the assessment area. The bank's moderate-income census tracts are home to 14,929 families, representing 16.2 percent of all families in the assessment area. There is a total of 160,506 housing units within the assessment area, of which 8,670 are located in low-income census tracts and 34,433 are located in moderate-income census tracts representing 5.4 percent and 21.5 percent, respectively. Within the low-income census tracts, 28.6 percent are owner-occupied and within the moderate-income tracts, 33.7 percent are owner-occupied. This indicates there were opportunities for home ownership within the low- and moderate-income census tracts in 2021. The assessment area includes 16,371 businesses, of which 440 are located within low-income census tracts representing 2.7 percent of the total, and 4,192 are located within moderate-income census tracts representing 25.6 percent of the total. Businesses with gross annual revenues less than $1 million represent 91.0 percent of total businesses indicating sufficient opportunities for small business lending in the assessment area.

Based on the 2022 FFIEC Census Data, the bank's low-income census tracts are home to 2,672 families, representing 2.7 percent of all families in the assessment area. The bank's moderate-income census tracts are home to 16,291 families, representing 16.7 percent of all families in the assessment area. There is a total of 169,241 housing units within the assessment area, of which 8,251 are located in low-income census tracts and 34,187 are located in moderate-income census tracts representing 4.9 percent and 20.2 percent, respectively. Within the low-income census tracts, 18.7 percent are owner-occupied and within the moderate-income tracts, 37.4 percent are owner-occupied. This indicates there were opportunities for home ownership within the low- and moderate-income census tracts in 2022. The assessment area includes 16,745 businesses, of which 331 are located within low-income census tracts representing 2.0 percent of the total, and 3,763 are located within moderate-income census tracts representing 22.5 percent of the total. Businesses with gross annual revenues less than $1 million represent 91.3 percent of total businesses indicating sufficient opportunities for small business lending in the assessment area.

According to the June 30, 2022, FDIC Deposit Market Share Report, Guaranty Bank ranked fourth among 32 FDIC-insured financial institutions operating in the Springfield MSA. The bank held $1.3 billion in deposits inside of the market, representing 9.9 percent of the market share. The top three leaders in market share include Great Southern Bank (13.5 percent), The Central Trust Bank (11.6 percent), and Commerce Bank (10.4 percent). The 32 banks competing for deposits and loans have 150 total offices in the assessment area. Guaranty Bank faces significant competition in the assessment area, but given its size and branch network, is also a major competitor for deposits in the assessment area.

In 2021, Guaranty Bank ranked 16th among 345 HMDA-reporters, originating 499 HMDA-reportable loans in the assessment area. By comparison, the first ranked institution, U.S. Bank N.A., originated 1,935 HMDA-reportable loans and the second ranked institution, Flat Branch Mortgage, Inc., originated 1,599 HMDA-reportable loans. Guaranty Bank's volume of HMDA-reportable loans relative to its competitors is consistent with the bank's strategic focus as a commercial lender. Guaranty Bank faces significant competition in the assessment area, but given its size and branch network, also has the ability to help meet the credit needs of the assessment area.

Additional assessment area demographic information for both 2021 and 2022 is provided in the following tables.

2021 Springfield, MO MSA 44180 AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	5	6.6	3,596	3.9	1,359	37.8	18,108	19.6
Moderate	19	25.0	14,929	16.2	3,367	22.6	16,884	18.3
Middle	38	50.0	53,545	57.9	5,145	9.6	19,293	20.9
Upper	13	17.1	20,307	22.0	888	4.4	38,133	41.3
Unknown	1	1.3	41	0.0	20	48.8	0	0.0
Total AA	**76**	**100.0**	**92,418**	**100.0**	**10,779**	**11.7**	**92,418**	**100.0**
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	8,670	2,477	2.7	28.6	5,134	59.2	1,059	12.2
Moderate	34,433	11,618	12.8	33.7	18,924	55.0	3,891	11.3
Middle	85,970	53,304	58.7	62.0	26,569	30.9	6,097	7.1
Upper	30,656	23,326	25.7	76.1	5,625	18.3	1,705	5.6
Unknown	777	16	0.0	2.1	628	80.8	133	17.1
Total AA	**160,506**	**90,741**	**100.0**	**56.5**	**56,880**	**35.4**	**12,885**	**8.0**
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = $1 Million		Over $1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	440	2.7	394	2.6	44	3.2	2	1.9
Moderate	4,192	25.6	3,602	24.2	572	41.7	18	17.0
Middle	8,514	52.0	7,898	53.0	558	40.7	58	54.7
Upper	3,176	19.4	2,953	19.8	195	14.2	28	26.4
Unknown	49	0.3	47	0.3	2	0.1	0	0.0
Total AA	**16,371**	**100.0**	**14,894**	**100.0**	**1,371**	**100.0**	**106**	**100.0**
Percentage of Total Businesses:				**91.0**		**8.4**		**0.6**
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = $1 Million		Over $1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	3	1.2	3	1.2	0	0.0	0	0.0
Moderate	18	7.0	16	6.3	2	100.0	0	0.0
Middle	184	71.3	184	71.9	0	0.0	0	0.0
Upper	53	20.5	53	20.7	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	**258**	**100.0**	**256**	**100.0**	**2**	**100.0**	**0**	**0.0**
Percentage of Total Farms:				**99.2**		**0.8**		**0.0**

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.

2022 Springfield, MO MSA 44180 AA Demographics									
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income		
	#	%	#	%	#	%	#	%
Low	5	5.2	2,672	2.7	690	25.8	17,975	18.4
Moderate	21	21.6	16,291	16.7	3,052	18.7	17,895	18.3
Middle	40	41.2	44,302	45.3	3,433	7.7	21,174	21.7
Upper	29	29.9	34,381	35.2	1,135	3.3	40,738	41.7
Unknown	2	2.1	136	0.1	35	25.7	0	0.0
Total AA	**97**	**100.0**	**97,782**	**100.0**	**8,345**	**8.5**	**97,782**	**100.0**
	Housing Units by Tract	Housing Type by Tract							
		Owner-occupied			Rental		Vacant		
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	8,251	1,544	1.6	18.7	5,955	72.2	752	9.1
Moderate	34,187	12,799	13.3	37.4	18,880	55.2	2,508	7.3
Middle	76,099	44,063	45.9	57.9	28,098	36.9	3,938	5.2
Upper	49,279	37,585	39.1	76.3	9,795	19.9	1,899	3.9
Unknown	1,425	27	0.0	1.9	1,273	89.3	125	8.8
Total AA	**169,241**	**96,018**	**100.0**	**56.7**	**64,001**	**37.8**	**9,222**	**5.4**
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = $1 Million		Over $1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	331	2.0	299	2.0	31	2.3	1	0.9
Moderate	3,763	22.5	3,212	21.0	535	39.7	16	13.8
Middle	7,601	45.4	7,049	46.1	492	36.5	60	51.7
Upper	4,652	27.8	4,364	28.6	250	18.6	38	32.8
Unknown	398	2.4	358	2.3	39	2.9	1	0.9
Total AA	**16,745**	**100.0**	**15,282**	**100.0**	**1,347**	**100.0**	**116**	**100.0**
Percentage of Total Businesses:				**91.3**		**8.0**		**0.7**
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = $1 Million		Over $1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	1	0.4	1	0.4	0	0.0	0	0.0
Moderate	20	7.5	19	7.2	1	50.0	0	0.0
Middle	141	53.2	140	53.2	1	50.0	0	0.0
Upper	101	38.1	101	38.4	0	0.0	0	0.0
Unknown	2	0.8	2	0.8	0	0.0	0	0.0
Total AA	**265**	**100.0**	**263**	**100.0**	**2**	**100.0**	**0**	**0.0**
Percentage of Total Farms:				**99.2**		**0.8**		**0.0**

Source: 2022 FFIEC Census Data
2022 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Population Change

The following table presents the population trends for the assessment area, the counties that comprise the assessment area, the Springfield MSA in its entirety, and the state of Missouri from 2015 to 2020. According to 2015 U.S. Census Bureau demographic data, the assessment area experienced an increase in population of 6.5 percent from 2015 to 2020. This was consistent with the growth rate of the Springfield MSA in its entirety at 6.0 percent but outpaced the rate of growth for Greene County (5.5 percent) and state of Missouri (1.8 percent). Christian County experienced a growth rate of 9.8 percent over the same period. According to a community representative, area residents have been moving out of the city of Springfield, causing the population in Christian County to increase at a faster pace than Greene County in general.

Population Change			
Area	**2015 Population**	**2020 Population**	**Percent Change**
Assessment Area	364,110	387,757	6.5%
Christian County	80,904	88,842	9.8%
Greene County	283,206	298,915	5.5%
Springfield, MO MSA	448,471	475,432	6.0%
State of Missouri	6,045,448	6,154,913	1.8%
Source: 2020 U.S. Census Bureau Decennial Census *2011 - 2015 U.S. Census Bureau American Community Survey*			

Income Characteristics

According to 2022 FFIEC Census Data, the assessment area is comprised of 97,782 families, of which 18.4 percent are designated as low income, 18.3 percent are moderate income, 21.7 percent are middle income, and 41.7 percent are upper income. Further, 8.5 percent of the families residing within the assessment area live below the poverty line, comparable to the state of Missouri's poverty rate of 8.9 percent.

The following table compares the median family income (MFI) for the assessment area, the counties that comprise the assessment area, the Springfield MSA in its entirety, and the state of Missouri. According to the 2016-2020 ACS survey, MFI in the assessment area increased 8.0 percent from 2015 to 2020. Similarly, both Greene County and the Springfield MSA in its entirety experienced an increase in MFI from 2015 to 2020 of 7.0 percent and 7.5 percent, respectively. Christian County saw the largest increase at 12.0 percent while the state of Missouri's MFI increased 9.6 percent. According to a community representative, the MFI increase in Christian County can be attributed to higher income families moving from the city of Springfield to surrounding areas, including in Christian County, from which they now commute to work or work from home.

Median Family Income Change			
Area	2015 Median Family Income	2020 Median Family Income	Percent Change
Assessment Area	$61,036	$65,921	8.0%
Christian County	$66,030	$73,921	12.0%
Greene County	$59,628	$63,795	7.0%
Springfield, MO MSA	$60,035	$64,545	7.5%
State of Missouri	$66,438	$72,834	9.6%
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.			

Housing Characteristics

According to 2022 FFIEC Census Data, there are a total of 169,241 housing units in the assessment area. The majority of housing units are owner-occupied at 56.7 percent; rental units comprise 37.8 percent, while 5.4 percent are vacant units. Comparatively, the Springfield MSA in its entirety is consistent with the assessment area's distribution.

The following table presents housing cost burden for individuals within the assessment area, the counties that comprise the assessment area, the entire Springfield MSA, and the state of Missouri for 2022. The cost burden is a measure of affordability via a comparative analysis of homeowners and renters of different income levels that spend 30.0 percent or more of their income on housing costs. As evidenced in the following table, low-income individuals are impacted at a higher rate than moderate-income individuals as both homeowners and renters. In Greene County, renters experience the highest cost burden (42.8 percent), as well as for those that are low-income renters (78.6 percent), when compared to other areas. A community representative noted that within the city of Springfield, there is a large population of students. These students may have increased the rental demand in the area, resulting in rate increases for all residents. Affordable housing was also noted as a need for the assessment area.

Housing Cost Burden						
	Cost Burden – Renters			Cost Burden - Owners		
Area	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Assessment Area	78.2%	35.9%	42.2%	58.0%	27.0%	15.3%
Christian County	75.6%	36.3%	38.5%	59.6%	33.6%	16.3%
Greene County	78.6%	35.9%	42.8%	57.6%	25.1%	15.0%
Springfield, MO MSA	77.7%	33.9%	41.4%	55.9%	26.1%	15.4%
State of Missouri	72.8%	26.6%	39.7%	56.8%	25.6%	16.5%
Cost Burden is housing cost that equals 30 percent or more of household income Source: U.S. Department of Housing and Urban Development (HUD), 2015-2019 Comprehensive Housing Affordability Strategy						

Employment Characteristics

The following table presents the unemployment trends for the assessment area, the counties that comprise the assessment area, the Springfield MSA in its entirety, and the state of Missouri from 2017 to 2021. Unemployment trends across all areas remained stable until 2020, when overall rates increased due to the impacts of the COVID-19 pandemic. In 2021, the assessment area saw an unemployment rate of 3.4 percent, a decrease from the prior year when it averaged 5.2 percent. This decrease was similar to the state of Missouri, which experienced an unemployment rate decline from 6.1 percent in 2020 to 4.4 percent in 2021. Overall, the assessment area experiences unemployment at a slightly lower rate than the state of Missouri. A community representative stated that although all sectors experienced employment challenges during the pandemic, they have returned to pre-pandemic employment numbers. The representative, however, stated the COVID-19 pandemic did have an impact on the service industry, particularly through reduced hours and in-person restrictions.

Unemployment Rates (%)					
Area	**2017**	**2018**	**2019**	**2020**	**2021**
Assessment Area	3.1%	2.5%	2.6%	5.2%	3.4%
Christian County	3.1%	2.5%	2.6%	4.9%	3.2%
Greene County	3.1%	2.5%	2.5%	5.3%	3.4%
Springfield, MO MSA	3.2%	2.7%	2.7%	5.2%	3.4%
State of Missouri	3.7%	3.2%	3.1%	6.1%	4.4%
Source: Bureau of Labor Statistics (BLS), Local Area Unemployment Statistics					

Industry Characteristics

According to the U.S. Bureau of Labor Statistics, the assessment area contains a diverse employment base that features employers in both the public and private sectors. The employment sectors most prevalent in the assessment area include healthcare and social assistance, retail trade, and food services. No large businesses or organizations have moved to the area since the previous performance evaluation.

Community Representatives

Two community representatives were contacted during the performance evaluation to provide information regarding local economic and demographic conditions of this assessment area. The representatives provided information on affordable housing, employment, and economic development needs within the assessment area. Both representatives noted that the downtown Springfield area is where the majority of low-income tracts and families reside, while more affluent families and areas are outside of the city. Representatives also noted a need for affordable housing in the assessment area. Finally both representatives stated that the downtown area contains a large population of students and young adults living close to higher education institutions, driving some of the population growth in the city and Greene County.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS SPRINGFIELD, MISSOURI MSA #44180

LENDING TEST

Geographic Distribution of Loans

For the purposes of this review, loans made in calendar years up to and including 2021 were analyzed based on income designations from the 2011-2015 American Community Survey data[2]*. Loans made in calendar years 2022 and after were analyzed based on income designations from the 2016-2020 American Community Survey data.*

Guaranty Bank demonstrates a reasonable geographic distribution of loans given the bank's assessment area. In addition, an analysis of HMDA-reportable and small business lending was conducted to determine the dispersion of loans among the census tract designations within the assessment area, particularly low- and moderate-income census tracts. In 2022, the bank originated HMDA-reportable loans in 88.7 percent of the census tracts in the assessment area, including within two low-income census tract and 19 moderate-income census tracts. In 2022, small business loans were originated in 76 of 97 census tracts, including in three low-income census tracts and 18 moderate-income census tracts. Based upon this analysis, no conspicuous geographic lending gaps were identified.

Specific to the HMDA-reportable lending analysis below, only home purchase and refinance loans will be discussed due to limited or no lending activity for home improvement and multi-family loans.

HMDA – Reportable Loans

The geographic distribution of HMDA-reportable loans is reasonable. In 2021, Guaranty Bank originated 2.6 percent of its total HMDA-reportable loans in low-income census tracts in the assessment area by number, which was comparable to the aggregate of lenders (aggregate) but slightly above the percentage of owner-occupied units located within those geographies at 2.2 percent and 1.6 percent, respectively. The bank originated 11.5 percent of HMDA-reportable loans in moderate-income tracts by number, which was comparable to the aggregate (11.2 percent) but below the percentage of owner-occupied units located within those geographies (13.3 percent). The majority (51.1 percent) of the bank's HMDA-reportable loans were originated in middle-income census tracts, which was below the aggregate (61.0 percent) but above the percentage of owner-occupied units located within those geographies (45.9 percent). The bank originated 34.8 percent of

[2] *The median family income levels (MFI) for census tracts are calculated using income data from the U.S. Census Bureau's American Community Survey and geographic designations from the Office of Management and Budget and are updated approximately every five years. (.12(m) Income Levels)*

HMDA-reportable loans in upper-income census tracts, which was above the aggregate (25.7 percent) but below the percentage of owner-occupied units located within those geographies at 45.9 percent. Finally, the bank originated 0.3 percent of HMDA-reportable loans in unknown-income census tracts, consistent with the aggregate rate of 0.1 percent.

The banks distribution of HMDA-reportable lending across geographies of different income levels in 2022, as depicted in the table found in Appendix B, was consistent with the distribution of loans in 2021 discussed below.

Home Purchase Loans

In 2021, the bank's home purchase loans represented 51.5 percent of the bank's total HMDA-reportable loans in the Springfield MSA. Guaranty Bank originated 2.3 percent of its home purchase loans in low-income census tracts, slightly below the aggregate at 2.9 percent and above the percentage of owner-occupied units, at 1.6 percent. The bank originated 15.6 percent of its home purchase loans in moderate-income census tracts. The bank's performance was above both the aggregate and the percentage of owner-occupied units within moderate-income tracts at 13.8 percent and 13.3 percent, respectively. The majority of the bank's home purchase loans were originated in middle-income census tracts at 49.6 percent, significantly below the aggregate at 60.3 percent but above the 45.9 percent of owner-occupied units. Lastly, the bank originated 32.4 percent of its home purchase loans in upper-income census tracts. This was significantly above the aggregate at 23.0 percent but below the 39.1 percent of owner-occupied units in upper-income census tracts.

Refinance Loans

In 2021, refinance loans represented 49.5 percent of the bank's total HMDA-reportable loans in the Springfield MSA. The bank originated 2.6 percent of its refinance loans in low-income census tracts, above both the aggregate (1.4 percent) and the percent of owner-occupied units (1.6 percent). Guaranty Bank originated 6.1 percent of its refinance loans in moderate-income census tracts. The bank's performance was below both the aggregate at 8.5 percent and significantly below the 13.3 percent of owner-occupied units located in moderate-income census tracts. The majority of the bank's refinance loans were originated in middle-income census tracts at 52.2 percent, below the aggregate at 62.1 percent but above the 45.9 percent of owner-occupied units in middle-income tracts. The bank originated 39.0 percent of its refinance loans in upper-income census tracts, which was significantly above the aggregate (28.0 percent) and comparable to the 39.1 percent of owner-occupied units in upper-income census tracts.

The following table summarizes the bank's 2021 HMDA-reportable lending in the assessment area. The table for 2022 HMDA-reportable lending can be found in Appendix B.

Distribution of 2021 Home Mortgage Lending By Income Level of Geography Assessment Area: Springfield, MO MSA 44180							
Geographic Income Level	Bank And Aggregate Loans						Owner Occupied Units %
	Bank		Agg	Bank		Agg	
	#	#%	#%	$(000)	$%	$%	
Home Purchase Loans							
Low	6	2.3	2.9	824	1.5	1.5	2.7
Moderate	40	15.6	13.8	4,619	8.4	8.3	12.8
Middle	127	49.6	60.3	27,182	49.2	61.1	58.7
Upper	83	32.4	23.0	22,576	40.9	29.1	25.7
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	256	100.0	100.0	55,201	100.0	100.0	100.0
Refinance Loans							
Low	6	2.6	1.4	912	1.9	0.8	2.7
Moderate	14	6.1	8.5	1,477	3.1	4.9	12.8
Middle	119	52.2	62.1	21,319	45.3	59.6	58.7
Upper	89	39.0	28.0	23,386	49.7	34.8	25.7
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	228	100.0	100.0	47,094	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	1.9	0	0.0	0.7	2.7
Moderate	0	0.0	12.7	0	0.0	7.3	12.8
Middle	1	100.0	52.0	90	100.0	46.5	58.7
Upper	0	0.0	33.4	0	0.0	45.5	25.7
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	1	100.0	100.0	90	100.0	100.0	100.0
Multifamily Loans							Multi-family Units %
Low	1	8.3	14.6	480	5.4	6.6	8.6
Moderate	3	25.0	31.3	822	9.3	30.4	41.8
Middle	7	58.3	42.9	6,128	69.6	37.9	39.6
Upper	1	8.3	9.6	1,380	15.7	23.9	7.6
Unknown	0	0.0	1.5	0	0.0	1.3	2.4
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	12	100.0	100.0	8,810	100.0	100.0	100.0
Total Home Mortgage Loans							Owner Occupied Units %
Low	13	2.6	2.2	2,216	2.0	1.6	2.7
Moderate	57	11.5	11.2	6,918	6.2	8.6	12.8
Middle	254	51.1	61.0	54,719	49.2	58.4	58.7
Upper	173	34.8	25.7	47,342	42.6	31.4	25.7
Unknown	0	0.0	0.0	0	0.0	0.1	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	497	100.0	100.0	111,195	100.0	100.0	100.0

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

Small Business Loans

The geographic distribution of small business loans reflects reasonable dispersion throughout the assessment area. Guaranty Bank originated 2.7 percent of its small business loans in low-income census tracts. This was slightly above the percentage of small businesses located in low-income census tracts (2.0 percent). The bank's lending volume in moderate-income census tracts at 37.4 percent was significantly above the percentage of total businesses located in moderate-income census tracts at 22.5 percent. The bank originated 33.1 percent of small business loans in middle-income census tracts. This was significantly below the percentage of total businesses located in those geographies (45.4 percent). In addition, the bank originated 24.9 percent of its small business loans in upper-income census tracts, below the percentage of total businesses located in those geographies at 27.8 percent.

The following table presents the bank's geographic distribution of small business loans in 2022.

Distribution of 2022 Small Business Lending By Income Level of Geography Assessment Area: Springfield, MO MSA 44180					
Geographic Income Level	Bank Loans				Total Businesses %
	#	#%	$(000)	$%	
Low	10	2.7	2,301	2.8	2.0
Moderate	138	37.4	29,845	36.8	22.5
Middle	122	33.1	27,007	33.3	45.4
Upper	92	24.9	20,353	25.1	27.8
Unknown	7	1.9	1,560	1.9	2.4
Tract-Unk	0	0.0	0	0.0	
Total	369	100.0	81,066	100.0	100.0

Source: 2022 FFIEC Census Data
2022 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Lending to Borrowers of Different Income Levels and to Businesses of Different Sizes

For the purposes of this review, loans made in calendar year 2021 or before were analyzed based on 2011-2015 American Community Survey income designations for individuals[3]. Loans made in calendar year 2022 or after were analyzed based on 2016-2020 American Community Survey income designations for individuals.

Guaranty Bank demonstrates a reasonable distribution of loans to and, as appropriate, other lending-related activities for individuals of different income levels (including low- and moderate-income individuals) and businesses of different sizes that is reasonable given the demographics of

[3] *Income levels for individuals are calculated annually by the FFIEC using geographic definitions from the OMB, income data from the ACS and the Consumer Price Index from the Congressional Budget Office (.12(m) Income Levels).*

the bank's assessment area.

Specific to HMDA-reportable lending, due to limited or no lending activity of home improvement and multi-family loans, only home purchase and refinance loans will be discussed below.

HMDA-Reportable Loans

The borrower distribution of HMDA-reportable loans reflects reasonable penetration among borrowers of different income levels. (Note: multifamily loans are not included in the borrower distribution analysis table below and, therefore, are not included in the percentage calculations in this paragraph.) In 2021, Guaranty Bank originated 5.4 percent by number of its total HMDA-reportable loans to low-income borrowers, which was comparable to the aggregate at 5.1 percent but significantly below the percentage of low-income families in the assessment area at 18.4 percent. The bank originated 15.7 percent of its HMDA-reportable loans to moderate-income borrowers, which was equal to the aggregate at 15.7 percent but below the percentage of moderate-income families in the assessment area at 18.3 percent. The bank originated 20.4 percent of HMDA-reportable loans to middle-income borrowers, which was above the aggregate of 18.5 percent but below the percentage of families designated as middle-income at 21.7 percent. The majority of the bank's HMDA-reportable loans were originated to upper-income borrowers (46.8 percent), which was above both the aggregate of 33.2 percent and the demographic of 41.7 percent. Further, 11.8 percent of the bank's HMDA-reportable loans were originated to borrowers of unknown income, significantly below the aggregate at 27.5 percent.

The bank's distribution of HMDA-reportable lending to borrowers of different income levels in 2022, as depicted in the table found in Appendix B, was consistent with the distribution of HMDA-reportable loans in 2021.

Home Purchase Loans

In 2021, Guaranty Bank originated 7.0 percent of its home purchase loans to low-income borrowers. The bank's performance was above the aggregate rate of 5.4 percent but was significantly below the percentage of low-income families in the assessment area of 18.4 percent. The bank originated 14.1 percent of its home purchase loans to moderate-income borrowers, which was below both the aggregate rate of 17.6 percent and the percent of moderate-income families in the assessment area of 18.3 percent. The bank originated 22.7 percent of home purchase loans to middle-income borrowers, which was above the aggregate rate of 19.2 percent and the demographic at 21.7 percent. The bank originated the majority of its home purchase loans (44.9 percent) to upper-income borrowers. The bank's performance was above both the aggregate (31.0 percent) and the percent of upper-income families in the assessment area at 41.7 percent. Finally, the bank originated 11.3 percent of home purchase loans to borrowers with unknown income, below the aggregate rate of 26.8 percent.

Refinance Loans

In 2021, Guaranty Bank originated 3.5 percent of its refinance loans to low-income borrowers. The bank's performance was below the aggregate at 4.8 percent and significantly below the percentage of low-income families located in the assessment area at 18.4 percent. The bank originated 17.1 percent of its refinance loans to moderate-income borrowers, which was above the aggregate at 14.5 percent but below the percentage of moderate-income families in the assessment area at 18.3 percent. The bank originated 18.0 percent of its refinance loans to middle-income borrowers. The bank's performance was comparable with the aggregate (18.4 percent) but below the percentage of middle-income families in the assessment area at 21.7 percent. The greatest percentage (49.1 percent) of its refinance loans was originated to upper-income borrowers. The bank's performance was significantly above the aggregate (34.8 percent) and above the percentage of upper-income families in the assessment area at 41.7 percent. Lastly, the bank originated 12.3 percent of refinance loans to borrowers with unknown income, this is below the aggregate rate of 27.6 percent.

The following table summarizes the bank's 2021 HMDA-reportable lending in the assessment area (excluding multifamily loans). The table for 2022 HMDA-reportable lending can be found in Appendix B.

Distribution of 2021 Home Mortgage Lending By Borrower Income Level Assessment Area: Springfield, MO MSA 44180							
Borrower Income Level	Bank And Aggregate Loans						Families by Family Income %
	Bank		Agg	Bank		Agg	
	#	#%	#%	$(000)	$%	$%	
Home Purchase Loans							
Low	18	7.0	5.4	2,082	3.8	3.0	19.6
Moderate	36	14.1	17.6	5,754	10.4	13.2	18.3
Middle	58	22.7	19.2	11,423	20.7	18.3	20.9
Upper	115	44.9	31.0	31,075	56.3	40.3	41.3
Unknown	29	11.3	26.8	4,867	8.8	25.2	0.0
Total	256	100.0	100.0	55,201	100.0	100.0	100.0
Refinance Loans							
Low	8	3.5	4.8	641	1.4	2.6	19.6
Moderate	39	17.1	14.5	5,051	10.7	10.2	18.3
Middle	41	18.0	18.4	5,898	12.5	15.5	20.9
Upper	112	49.1	34.8	28,873	61.3	43.2	41.3
Unknown	28	12.3	27.6	6,631	14.1	28.6	0.0
Total	228	100.0	100.0	47,094	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	5.1	0	0.0	1.9	19.6
Moderate	1	100.0	14.3	90	100.0	10.4	18.3
Middle	0	0.0	17.8	0	0.0	13.5	20.9
Upper	0	0.0	49.9	0	0.0	56.1	41.3
Unknown	0	0.0	12.9	0	0.0	18.1	0.0
Total	1	100.0	100.0	90	100.0	100.0	100.0
Total Home Mortgage Loans							
Low	26	5.4	5.1	2,723	2.7	2.8	19.6
Moderate	76	15.7	15.7	10,895	10.6	11.6	18.3
Middle	99	20.4	18.5	17,321	16.9	16.7	20.9
Upper	227	46.8	33.2	59,948	58.6	41.8	41.3
Unknown	57	11.8	27.5	11,498	11.2	27.2	0.0
Total	485	100.0	100.0	102,385	100.0	100.0	100.0

Source: 2021 FFIEC Census Data
2011-2015 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.
Multifamily loans are not included in the borrower distribution analysis.

Small Business Loans

The distribution of loans to businesses of different sizes is reasonable. In 2022, 44.7 percent of small business loans by number were to businesses with gross revenues equal to or less than $1 million. The bank's performance was significantly below the presence of total small businesses operating in the assessment area at 91.3 percent. However, 51.5 percent of the bank's loans originated to businesses with annual revenues of $1 million or less, were in the amounts of $100,000 or less.

These loans are considered the most beneficial to small businesses and supports the bank's willingness to meet the credit needs of small businesses. The bank has long standing relationships with several larger businesses in the assessment area with gross annual revenues greater than $1 million. During the review period, the bank renewed or originated multiple loans to these businesses. This repeat business accounts for a large portion of the loans originated to businesses with gross annual revenues of $1 million or more.

The following table presents the bank's distribution of small business loans in 2022.

Distribution of 2022 Small Business Lending By Revenue Size of Businesses Assessment Area: Springfield, MO MSA 44180					
	Bank Loans				Total Businesses %
	#	#%	$(000)	$%	
By Revenue					
$1 Million or Less	165	44.7	28,766	35.5	91.3
Over $1 Million	188	50.9	50,772	62.6	8.0
Revenue Unknown	16	4.3	1,528	1.9	0.7
Total	369	100.0	81,066	100.0	100.0
By Loan Size					
$100,000 or Less	175	47.4	8,607	10.6	
$100,001 - $250,000	84	22.8	15,227	18.8	
$250,001 - $1 Million	110	29.8	57,232	70.6	
Total	369	100.0	81,066	100.0	
By Loan Size and Revenues $1 Million or Less					
$100,000 or Less	85	51.5	4,208	14.6	
$100,001 - $250,000	44	26.7	7,748	26.9	
$250,001 - $1 Million	36	21.8	16,810	58.4	
Total	165	100.0	28,766	100.0	

Source: 2022 FFIEC Census Data
2022 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

COMMUNITY DEVELOPMENT TEST

Guaranty Bank demonstrates excellent responsiveness to the community development needs of its assessment area through qualified loans, investments, donations, and community development services, as appropriate, considering the bank's capacity as well as the need and the availability of such opportunities for community development in the bank's assessment area. In addition, as noted in the "Scope of Examination" section earlier, community development activities between January 21, 2020 and February 24, 2020 that were previously included the February 24, 2020 performance evaluation of the former Guaranty Bank, are not included in the data below.

Lending

During the review period, Guaranty Bank originated 85 qualified community development loans in the Springfield MSA for $221.6 million. The majority of the loans by both number and dollar amount went to organizations with a goal of revitalizing or stabilizing low- and moderate-income areas. Additionally, fifteen loans were originated in the assessment area that focused on affordable housing projects. Affordable housing was identified by the community representatives as a continued need. The overall level of community development lending is a significant increase since the previous evaluation where the bank originated 19 qualified community development loans for a total of $63.8 million. The bank's efforts have continued to positively impact the Springfield MSA.

Investments

During the evaluation period, Guaranty Bank made seven qualified community development investments for a total of $3.3 million. The majority of these investments were made to organizations that focus on revitalizing and stabilizing low- and moderate-income areas. Additionally, the bank made two investments with organizations that support and provide affordable housing to the area. As noted earlier, this was identified by the community representatives as a continued need. This performance is an improvement from the previous evaluation where the bank made six community development investments for a total of $1.2 million.

Additionally, the bank made 145 community development donations for a total of $256,099. The majority (126) of the bank's donations were to organizations that provide vital community services to low- and moderate-income individuals and families. This is also an increase from the previous evaluation where the bank provided $80,036, in qualified community development donations.

Services

During the evaluation period, bank staff provided 3,050 community development service hours. Of the total number of service hours, a majority (2,723 hours) were dedicated to organizations with a community service focus. This is a significant increase from the previous evaluation where bank staff provided 389 total service hours. The newly merged bank is committed to serving its community, and management promotes this culture within. The increase in service hours is reflective of this fact.

The following table presents the bank's community development activities during the evaluation period for the assessment area.

Summary of CD Activities Springfield, Missouri MSA #44180 January 21, 2020 – May 1, 2023										
Type of Activity	Affordable Housing		Economic Development		Activities that Revitalize/Stabilize		Community Services		Totals	
	#	$/Hours	#	$/Hours	#	$/Hours	#	$/Hours	#	$/Hours
Lending	15	13,092,702	7	16,914,400	58	186,812,838	5	4,773,733	85	221,593,673
Investment	2	1,180,806	0	0	4	1,592,948	1	554,862	7	3,328,617
Donations	11	15,200	4	23,700	4	3,500	126	213,699	145	256,099
Services	16	100	10	224	1	3	658	2723	685	3,050

JOPLIN, MISSOURI MSA #27900 – FULL REVIEW

SCOPE OF EXAMINATION

Full scope examination procedures were used to evaluate the bank's performance in the Joplin, Missouri MSA. The scope is consistent with the scope of examination described within the institution summary. For further information, refer to the "Scope of Examination" section for details.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN JOPLIN, MISSOURI MSA #27900

The Joplin MSA assessment area consists of Jasper and Newton Counties. The assessment area comprises the entire Joplin, Missouri MSA #27900. As noted earlier, this assessment area was not included in the previous evaluation and was added because of the bank merger on April 2, 2022. The bank has been operating in this assessment area for approximately a year.

Based on 2022 FFIEC Census Data, the assessment area is comprised of 42 census tracts in total, including seven moderate-income, 29 middle-income, and six upper-income census tracts. There are no low-income, or middle-income underserved or distressed census tracts located in the assessment area.

Within the assessment area, the bank operates five full-service branches with full-service ATMs at each branch. Two branches are located in moderate-income census tracts and three branches are located in middle-income census tracts. On September 30, 2022, the bank closed one branch located in a moderate-income tract; however, one of the remaining branches is located approximately two miles from the closed branch.

Based on the 2022 FFIEC Census Data, the bank's moderate-income census tracts are home to 7,083 families, representing 15.6 percent of all families in the assessment area. There is a total of 76,573 housing units within the assessment area, of which 14,217 are located in moderate-income census tracts representing 18.6 percent of the total. Within the moderate-income tracts, 40.9 percent are owner-occupied. This indicates there are opportunities for home mortgage lending within the low- and moderate-income census tracts.

The assessment area has a total of 6,187 businesses, of which 1,291 are located within moderate-income census tracts representing 20.9 percent of the total. Businesses with gross annual revenues less than $1 million represent 91.2 percent of total businesses indicating sufficient opportunities for small business lending in the assessment area.

According to the June 30, 2022, FDIC Deposit Market share report, Guaranty Bank ranked eighth among 16 FDIC-insured financial institutions operating in the Joplin MSA. The bank held $199 million in deposits inside of the market, representing 4.4 percent of the market share. The top three leaders in market share include Southwest Missouri Bank (21.6 percent), Arvest Bank (15.1 percent), and Commerce Bank (14.3 percent). The 16 banks competing for deposits and loans including Guaranty Bank have 72 total offices in the assessment area. Guaranty Bank faces significant competition in the assessment area for deposits from other financial institutions.

In 2021, prior to the bank merger, the former Guaranty Bank ranked 13th of 222 HMDA-reporters, originating 206 HMDA-reportable loans in the assessment area (Springfield First Community Bank ranked 52nd, originating four HMDA-reportable loans in the assessment area). By comparison, the first ranked institution, Flat Branch Mortgage Inc., originated 1,629 HMDA-reportable loans and the second ranked institution, Arvest Bank, originated 595 HMDA-reportable loans. Guaranty Bank's volume of HMDA-reportable loans in 2021 was low, as the bank was not a significant mortgage lender in the market given it is primarily a commercial lender.

Additional assessment area demographic information is provided in the following table.

2022 Joplin, MO MSA 27900 AA Demographics								
Income Categories	**Tract Distribution**		**Families by Tract Income**		**Families < Poverty Level as % of Families by Tract**		**Families by Family Income**	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	8,566	18.9
Moderate	7	16.7	7,083	15.6	1,789	25.3	8,918	19.7
Middle	29	69.0	30,896	68.1	2,818	9.1	9,822	21.7
Upper	6	14.3	7,383	16.3	531	7.2	18,056	39.8
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	**42**	**100.0**	**45,362**	**100.0**	**5,138**	**11.3**	**45,362**	**100.0**
	Housing Units by Tract	**Housing Type by Tract**						
		Owner-occupied			**Rental**		**Vacant**	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	14,217	5,812	12.8	40.9	6,680	47.0	1,725	12.1
Middle	50,457	31,546	69.2	62.5	13,841	27.4	5,070	10.0
Upper	11,899	8,198	18.0	68.9	2,507	21.1	1,194	10.0
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	**76,573**	**45,556**	**100.0**	**59.5**	**23,028**	**30.1**	**7,989**	**10.4**
	Total Businesses by Tract		**Businesses by Tract & Revenue Size**					
			Less Than or = $1 Million		**Over $1 Million**		**Revenue Not Reported**	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	1,291	20.9	1,149	20.4	130	27.1	12	17.6
Middle	4,008	64.8	3,671	65.1	288	60.1	49	72.1
Upper	888	14.4	820	14.5	61	12.7	7	10.3
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	**6,187**	**100.0**	**5,640**	**100.0**	**479**	**100.0**	**68**	**100.0**
Percentage of Total Businesses:				**91.2**		**7.7**		**1.1**
	Total Farms by Tract		**Farms by Tract & Revenue Size**					
			Less Than or = $1 Million		**Over $1 Million**		**Revenue Not Reported**	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	5	2.4	5	2.5	0	0.0	0	0.0
Middle	171	83.0	169	82.8	2	100.0	0	0.0
Upper	30	14.6	30	14.7	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	**206**	**100.0**	**204**	**100.0**	**2**	**100.0**	**0**	**0.0**
Percentage of Total Farms:				**99.0**		**1.0**		**0.0**

Source: 2022 FFIEC Census Data
2022 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Population Change

The following table presents the population trends for the assessment area, Jasper and Newton Counties, and the state of Missouri from 2015 to 2020. According to 2015 U.S. Census Bureau demographic data, the assessment area experienced an increase in population of 3.1 percent from 2015 to 2020. This outpaced the rate of growth for both the state of Missouri (1.8 percent) and Newton County (-0.2 percent). However, the overall assessment area increase was lower than the population increase in Jasper County (4.8 percent). According to a community representative, Jasper County has continued to experience a growth in population due to the low cost of living, strong healthcare and manufacturing job opportunities, and access to the downtown Joplin area with its many retail shops and other services.

Population Change			
Area	**2015 Population**	**2020 Population**	**Percent Change**
Assessment Area	175,961	181,409	3.1%
Jasper County	117,184	122,761	4.8%
Newton County	58,777	58,648	-0.2%
State of Missouri	6,045,448	6,154,913	1.8%
Source: 2010 U.S. Census Bureau Decennial Census *2011 - 2015 U.S. Census Bureau American Community Survey*			

Income Characteristics

According to 2022 FFIEC Census Data, the assessment area is comprised of 45,362 families, of which 18.9 percent are designated as low income, 19.7 percent are moderate income, 21.7 percent are middle income, and 39.8 percent are upper income. Further, 11.3 percent of the families residing within the assessment area live below the poverty line, which is higher than the state of Missouri's poverty rate of 8.9 percent.

The following table compares the MFI for the assessment area, Jasper and Newton Counties, and the state of Missouri. According to the 2015-2020 Census Bureau data, MFI in the assessment area increased 8.3 percent from 2015 to 2020. While both Jasper and Newton Counties experienced an increase from 2015 to 2020, there was a significant divergence at 5.0 percent and 17.3 percent, respectively. The state of Missouri also experienced and increase in MFI of 9.6 percent for the same period. According to a community representative, the competition among employers to retain workers and the continued growth of specialized higher paying jobs has contributed to the increase in MFI in the assessment area as well as the state of Missouri. Additionally, the large MFI increase in Newton County was based on the relocation of a hospital to the county and the expansion of a manufacturing facility both with higher paying job opportunities.

Median Family Income Change			
Area	**2015 Median Family Income**	**2020 Median Family Income**	**Percent Change**
Assessment Area	$56,543	$61,218	8.3%
Jasper County	$57,078	$59,926	5.0%
Newton County	$55,440	$65,045	17.3%
State of Missouri	$66,438	$72,834	9.6%

Source: 2006 - 2010 U.S. Census Bureau American Community Survey
2011 - 2015 U.S. Census Bureau American Community Survey
Median Family Incomes have been inflation-adjusted and are expressed in 2015 dollars.

Housing Characteristics

According to 2022 FFIEC Census Data, there are a total of 76,573 housing units in the assessment area. The majority of housing units are owner-occupied at 59.5 percent, rental units comprise 30.1 percent, while 10.4 percent are vacant units.

The following table presents housing cost burden for individuals within the assessment area, Jasper and Newton Counties, and the state of Missouri for 2022. The cost burden is a measure of affordability via a comparative analysis of homeowners and renters of different income levels that spend 30.0 percent or more of their income on housing costs. As evidenced in the following table, low-income individuals are impacted at a higher rate than moderate-income individuals as both homeowners and renters. Housing cost burden for the state of Missouri was highest overall for all renters at 39.7 percent, while Jasper County had the highest housing cost burden for low-income renters.

Community representatives stated that the primary driver for the high renters' cost burden is the lack of affordable housing in the MSA. Many of the previously available affordable housing units were destroyed in a tornado in 2011 and have not been fully replaced. Further, many homes in the area need rehabilitation, which would increase the number of available affordable housings units. The assessment area recently received a $3.5 million grant from the Missouri Department of Economic Development, which has targeted funds to address the current lack of affordable housing.

Housing Cost Burden						
	Cost Burden - Renters			Cost Burden - Owners		
Area	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Assessment Area	74.4%	38.8%	37.0%	53.8%	26.2%	14.4%
Jasper County	75.0%	43.3%	38.2%	51.9%	23.9%	13.9%
Newton County	72.8%	29.7%	33.8%	57.9%	29.9%	15.3%
State of Missouri	72.8%	26.6%	39.7%	56.8%	25.6%	16.5%
Cost Burden is housing cost that equals 30 percent or more of household income *Source: U.S. Department of Housing and Urban Development (HUD), 2014-2018 Comprehensive Housing Affordability Strategy*						

Employment Characteristics

The following table presents the unemployment trends for the assessment area, Jasper and Newton Counties, and the state of Missouri from 2017 to 2021. Unemployment trends across all areas remained stable until 2020, when overall rates increased. In 2021, the assessment area saw unemployment rates of 3.8 percent, a decrease from the prior year when it averaged 5.7 percent due to the impacts of the COVID-19 pandemic. This decrease was similar to that of the state of Missouri, which experienced unemployment declines from 6.1 percent in 2020 to 4.4 percent in 2021. Overall, the assessment area experiences unemployment at a similar rate as the state of Missouri.

A community representative confirmed that unemployment rates were impacted by the COVID-19 pandemic. The community representative stated that both Jasper and Newton Counties have mostly returned to pre-pandemic levels. The representative also stated that small businesses were heavily impacted by the pandemic due to reduced foot traffic and reduced sales. In contrast, a second community representative indicated that the large manufacturing industry in the assessment area thrived during the pandemic as the need for manufactured goods increased.

Unemployment Rates (%)					
Area	2017	2018	2019	2020	2021
Assessment Area	3.4%	2.8%	2.9%	5.7%	3.8%
Jasper County	3.4%	2.7%	2.8%	5.7%	3.7%
Newton County	3.6%	3.0%	3.1%	5.8%	3.8%
State of Missouri	3.7%	3.2%	3.1%	6.1%	4.4%
Source: Bureau of Labor Statistics (BLS), Local Area Unemployment Statistics					

Industry Characteristics

Over the last several years, the Joplin MSA has maintained a strong presence in manufacturing, healthcare, and retail trade. The assessment area also has a substantial percentage of food services, transportation, and warehousing services. Community representatives noted that employment and business conditions for the manufacturing, transportation, and warehousing industries have remained relatively stable despite extreme challenges due to the COVID-19 pandemic. The representatives also noted that there is a strong need for skilled workers in these fields, as well as an emerging need for technology workers as manufacturing has moved to more sophisticated technology from the assembly line structure utilized in prior years. In addition, retail trade activity has continued to grow post-pandemic as the Joplin downtown area has seen a large increase in new small businesses.

Community Representatives

Two community representatives were contacted to provide information regarding local economic and demographic conditions. The representatives provided information on affordable housing, employment, and economic development needs within the assessment area.

Representatives acknowledged that the assessment area faced challenges prior to the COVID-19 pandemic, such as affordable housing and labor shortages, which remain an issue for the assessment area. A representative stated that the lower wages in the manufacturing industry were a primary factor for the labor shortage; however, recent growth and competition among manufacturing companies has resulted in higher wages and helped attract potential employees to the area. In addition, the recent growth and increase in small business activity and the revitalization of the Joplin downtown area has also helped to attract potential workers to the area.

Community representatives also commented on the lack of affordable housing in the area and how the recent grant from the Missouri Economic Development Department will provide an influx of funds to the Joplin Home Assistance Program, dedicated to creating more affordable housing in the area. In addition, the assessment area has improved its infrastructure by improving its preparation of land for sale (e.g., connecting power lines, excavating the property, etc.) and by changing the sub-division codes which will allow for the building of smaller homes that are more affordable.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN JOPLIN, MISSOURI MSA #27900

LENDING TEST

Geographic Distribution of Loans

Guaranty Bank demonstrates a reasonable geographic distribution of loans given the bank's assessment area. In addition, an analysis of HMDA-reportable and small business lending was conducted to determine the dispersion of loans among the census tract designations within the assessment area, particularly moderate-income census tracts. In 2022, the bank originated HMDA-reportable loans in 85.7 percent of the census tracts in the assessment area, including within six moderate-income census tracts. In 2022, small business loans were originated in 29 of 42 census tracts, including within four moderate-income census tracts. Based upon this analysis, no conspicuous geographic lending gaps were identified.

Within this assessment area, small business lending carried more weight than HMDA-reportable lending as the bank's focus is on commercial lending. Weighting was also impacted by the fact only one year of home mortgage data was reviewed, as described just below. Specific to HMDA-reportable lending, due to limited or no lending activity of home improvement and multi-family loans, only home purchase and refinance loans will be discussed. Additionally, since the bank did not include the Joplin MSA in its assessment area until 2022 and its lending volume in the Joplin MSA prior to the merger was limited, only 2022 HMDA-reportable lending will be discussed.

HMDA – Reportable Loans

The geographic distribution of HMDA-reportable loans is excellent. In 2022, Guaranty Bank originated 29.0 percent of its total HMDA-reportable loans in moderate-income census tracts in the assessment area by number, which was significantly above the percentage of owner-occupied units located within those geographies at 12.8 percent. The bank originated 56.1 percent of HMDA-reportable loans in middle-income census tracts by number, which was below the percentage of owner-occupied units located within those geographies (69.2 percent). The bank originated 15.0 percent of HMDA-reportable loans upper-income census tracts, which was below the percentage of owner-occupied units located within those geographies (18.0 percent).

Home Purchase Loans

In 2022, the bank's home purchase loans represented 57.9 percent of the bank's total HMDA-reportable loans in the Joplin MSA assessment area. Guaranty Bank originated 30.6 percent of its home purchase loans in moderate-income census tracts, significantly above the percentage of owner-occupied units, at 12.8 percent. The bank originated 56.5 percent of its home purchase loans in middle-income census tracts. The bank's performance was significantly below the percentage of owner-occupied units within middle-income tracts at 69.2 percent. Lastly, the bank originated 12.9 percent of its home purchase loans in upper-income census tracts. This was below the 18.0 percent of owner-occupied units in upper-income census tracts.

Refinance Loans

In 2022, refinance loans represented 34.6 percent of the bank's total HMDA-reportable loans in the Joplin MSA assessment area. The bank originated 27.0 percent of its refinance loans in moderate-income census tracts, significantly higher than the percentage of owner-occupied units (12.8 percent). Guaranty Bank originated 59.5 percent of its refinance loans in middle-income census tracts, which was below the 69.2 percent of owner-occupied units located in middle-income census tracts. Finally, bank originated 13.5 percent of refinance loans in upper-income census tracts, below the 18.0 percent of owner-occupied units in upper-income tracts.

The following table summarizes the bank's 2022 HMDA-reportable lending in the assessment area.

Distribution of 2022 Home Mortgage Lending By Income Level of Geography Assessment Area: Joplin, MO MSA 27900					
Geographic Income Level	**Bank Loans***				**Owner Occupied Units %**
	#	**#%**	**$(000)**	**$%**	
Home Purchase Loans					
Low	0	0.0	0	0.0	0.0
Moderate	19	30.6	2,494	24.4	12.8
Middle	35	56.5	6,266	61.4	69.2
Upper	8	12.9	1,448	14.2	18.0
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	62	100.0	10,208	100.0	100.0
Refinance Loans					
Low	0	0.0	0	0.0	0.0
Moderate	10	27.0	908	22.8	12.8
Middle	22	59.5	2,465	61.8	69.2
Upper	5	13.5	615	15.4	18.0
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	37	100.0	3,988	100.0	100.0
Home Improvement Loans					
Low	0	0.0	0	0.0	0.0
Moderate	0	0.0	0	0.0	12.8
Middle	0	0.0	0	0.0	69.2
Upper	3	100.0	232	100.0	18.0
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	3	100.0	232	100.0	100.0
Multifamily Loans					**Multi-family Units %**
Low	0	0.0	0	0.0	0.0
Moderate	2	40.0	420	14.5	32.8
Middle	3	60.0	2,473	85.5	60.4
Upper	0	0.0	0	0.0	6.7
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	5	100.0	2,893	100.0	100.0
Total Home Mortgage Loans					**Owner Occupied Units %**
Low	0	0.0	0	0.0	0.0
Moderate	31	29.0	3,822	22.1	12.8
Middle	60	56.1	11,204	64.7	69.2
Upper	16	15.0	2,295	13.2	18.0
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	107	100.0	17,321	100.0	100.0

Source: 2022 FFIEC Census 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.*

Small Business Loans

The geographic distribution of small business loans reflects reasonable dispersion throughout the assessment area. Guaranty Bank's lending volume in moderate-income census tracts, at 14.5 percent, was below the percentage of total businesses located in moderate-income census tracts at 20.9 percent. A majority of the bank's small business loans (75.8 percent) were originated in middle-income census tracts, significantly above the percentage of total businesses located in those geographies at 64.8 percent. In addition, the bank originated 9.7 percent of its small business loans in upper-income census tracts, below the percentage of total businesses located in those geographies at 14.4 percent.

The following table presents the bank's geographic distribution of small business loans in 2022.

Distribution of 2022 Small Business Lending By Income Level of Geography Assessment Area: Joplin, MO MSA 27900					
Geographic Income Level	Bank Loans				Total Businesses %
	#	#%	$(000)	$%	
Low	0	0.0	0	0.0	0.0
Moderate	9	14.5	2,681	23.1	20.9
Middle	47	75.8	7,231	62.4	64.8
Upper	6	9.7	1,680	14.5	14.4
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	62	100.0	11,592	100.0	100.0

Source: 2022 FFIEC Census Data
2022 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Lending to Borrowers of Different Income Levels and to Businesses of Different Sizes

Guaranty Bank demonstrates a reasonable distribution of loans to and, as appropriate, other lending-related activities for individuals of different income levels (including low- and moderate-income individuals) and businesses of different sizes given the demographics of the bank's assessment area.

As noted earlier, within this assessment area, small business lending carried more weight than HMDA-reportable lending, given the bank's focus on commercial lending and the fact only one year of HMDA-reportable data was reviewed. Specific to HMDA-reportable lending, due to limited or no lending activity of home improvement and multi-family loans, only home purchase and refinance loans will be evaluated. Additionally, since the bank did not include the Joplin MSA in its assessment area until 2022 and its lending volume in the Joplin MSA prior to the merger was limited, only 2022 HMDA-reportable lending will be discussed below.

HMDA-Reportable Loans

The borrower distribution of HMDA-reportable loans reflects reasonable penetration among borrowers of different income levels. In 2022, Guaranty Bank originated 10.8 percent by number of its total HMDA-reportable loans to low-income borrowers, which was below the percentage of low-income families in the assessment area at 18.9 percent. The bank originated 24.5 percent of its HMDA-reportable loans to moderate-income borrowers, which was above the percentage of moderate-income families in the assessment area at 19.7 percent. The bank originated 12.7 percent of HMDA-reportable loans to middle-income borrowers, which was below the percentage of families designated as middle-income at 21.7 percent. The majority of the bank's HMDA-reportable loans were originated to upper-income borrowers (36.3 percent), which was below the demographic of 39.8 percent. Further, 15.7 percent of the bank's HMDA-reportable loans were originated to borrowers of unknown income. Multifamily loans are not included in the borrower distribution analysis and, therefore, were not included in the percentage calculations above.

Home Purchase Loans

In 2022, Guaranty Bank originated 11.3 percent of its home purchase loans to low-income borrowers. The bank's performance was below the percentage of low-income families in the assessment area at 18.9 percent. The bank originated 38.7 percent of its home purchase loans to moderate-income borrowers, which was significantly higher than the percent of moderate-income families in the assessment area at 19.7 percent. The bank originated 11.3 percent of home purchase loans to middle-income borrowers, which was below the demographic at 21.7 percent. The bank originated 25.8 percent of its home purchase loans to upper-income borrowers. The bank's performance was below the percent of upper-income families in the assessment area at 39.8 percent. Finally, the bank originated 12.9 percent of home purchase loans to borrowers with unknown income.

Refinance Loans

In 2022, Guaranty Bank originated 10.8 percent of its refinance loans to low-income borrowers. The bank's performance is below the percentage of low-income families located in the assessment area at 18.9 percent. The bank originated 2.7 percent of its refinance loans to moderate-income borrowers, which was significantly below the percentage of moderate-income families in the assessment area at 19.7 percent. The bank originated 16.2 percent of its refinance loans to middle-income borrowers. The bank's performance was below the percentage of middle-income families in the assessment area at 21.2 percent. The bank originated the greatest percentage (51.4 percent) of its refinance loans to upper-income borrowers. The bank's performance was greater than the percentage of upper-income families in the assessment area at 39.8 percent. Lastly, the bank originated 18.9 percent of refinance loans to borrowers with unknown income.

The following table summarizes the bank's 2022 HMDA-reportable lending in the assessment area, after excluding multifamily loans.

Distribution of 2022 Home Mortgage Lending By Borrower Income Level Assessment Area: Joplin, MO MSA 27900					
Borrower Income Level	Bank Loans*				Families by Family Income %
	#	#%	$(000)	$%	
Home Purchase Loans					
Low	7	11.3	719	7.0	18.9
Moderate	24	38.7	2,931	28.7	19.7
Middle	7	11.3	1,520	14.9	21.7
Upper	16	25.8	3,450	33.8	39.8
Unknown	8	12.9	1,588	15.6	0.0
Total	62	100.0	10,208	100.0	100.0
Refinance Loans					
Low	4	10.8	503	12.6	18.9
Moderate	1	2.7	68	1.7	19.7
Middle	6	16.2	822	20.6	21.7
Upper	19	51.4	2,154	54.0	39.8
Unknown	7	18.9	441	11.1	0.0
Total	37	100.0	3,988	100.0	100.0
Home Improvement Loans					
Low	0	0.0	0	0.0	18.9
Moderate	0	0.0	0	0.0	19.7
Middle	0	0.0	0	0.0	21.7
Upper	2	66.7	82	35.3	39.8
Unknown	1	33.3	150	64.7	0.0
Total	3	100.0	232	100.0	100.0
Total Home Mortgage Loans					
Low	11	10.8	1,222	8.5	18.9
Moderate	25	24.5	2,999	20.8	19.7
Middle	13	12.7	2,342	16.2	21.7
Upper	37	36.3	5,686	39.4	39.8
Unknown	16	15.7	2,179	15.1	0.0
Total	102	100.0	14,428	100.0	100.0

Source: 2022 FFIEC Census 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.*
Multifamily loans are not included in the borrower distribution analysis.

Small Business Loans

The distribution of loans to businesses of different sizes is reasonable. In 2022, 72.6 percent of small business loans by number were to businesses with gross revenues equal to or less than $1 million. The bank's performance was significantly below the presence of total small businesses operating in the assessment area at 91.2 percent. However, 73.3 percent of the bank's loans originated to businesses with annual revenues of $1 million or less, were in the amounts of $100,000 or less. These loans are considered the most beneficial to small businesses and supports the bank's willingness to meet the credit needs of small businesses.

The following table presents the borrower distribution of small business loans in 2022.

Distribution of 2022 Small Business Lending By Revenue Size of Businesses
Assessment Area: Joplin, MO MSA 27900

	Bank Loans				Total Businesses %
	#	#%	$(000)	$%	
By Revenue					
$1 Million or Less	45	72.6	5,842	50.4	91.2
Over $1 Million	15	24.2	5,575	48.1	7.7
Revenue Unknown	2	3.2	175	1.5	1.1
Total	62	100.0	11,592	100.0	100.0
By Loan Size					
$100,000 or Less	36	58.1	1,273	11.0	
$100,001 - $250,000	12	19.4	2,109	18.2	
$250,001 - $1 Million	14	22.6	8,210	70.8	
Total	62	100.0	11,592	100.0	
By Loan Size and Revenues $1 Million or Less					
$100,000 or Less	33	73.3	1,088	18.6	
$100,001 - $250,000	5	11.1	835	14.3	
$250,001 - $1 Million	7	15.6	3,919	67.1	
Total	45	100.0	5,842	100.0	

Source: 2022 FFIEC Census Data
2022 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

COMMUNITY DEVELOPMENT TEST

Guaranty Bank demonstrates adequate responsiveness to the community development needs of its assessment area through qualified loans, investments, donations, and community development services, as appropriate, considering the bank's capacity as well as the need and the availability of such opportunities for community development in the bank's assessment area. Notably, the bank has only delineated this assessment area for approximately one year. In addition, as noted in the "Scope of Examination" section earlier, community development activities between January 21, 2020 and February 24, 2020 that were previously included in the February 24, 2020 performance evaluation for the former Guaranty Bank, are not included in the data below.

Lending

During the review period, Guaranty Bank originated a total of seven qualified community development loans in the Joplin MSA for $23.1 million. The majority of the loans went to organizations with a goal of revitalizing or stabilizing low- and moderate-income areas. Additionally, two loans were originated that focused on affordable housing projects. These two loans were particularly responsive, as community representatives noted the lack of affordable housing in the area.

Investments

During the evaluation period, Guaranty Bank did not make any community development investments. Notwithstanding this fact, the bank conducted sufficient community development service activities and had sufficient community development lending, considering the bank's capacity and availability of such opportunities for community development within this assessment area. Additionally, Guaranty Bank made 29 qualified donations totaling $32,145. The majority (22 donations) were donations that went to organizations that provide vital community services to low- and moderate-income individuals and families.

Services

During the evaluation period, bank staff provided 189 community development service hours. Of the total number of service hours, a majority (122 hours) were dedicated to organizations with a community service focus.

The following table presents the bank's community development activities during the evaluation period for the assessment area.

Summary of CD Activities
Joplin, Missouri MSA #27900
January 21, 2020 – May 1, 2023

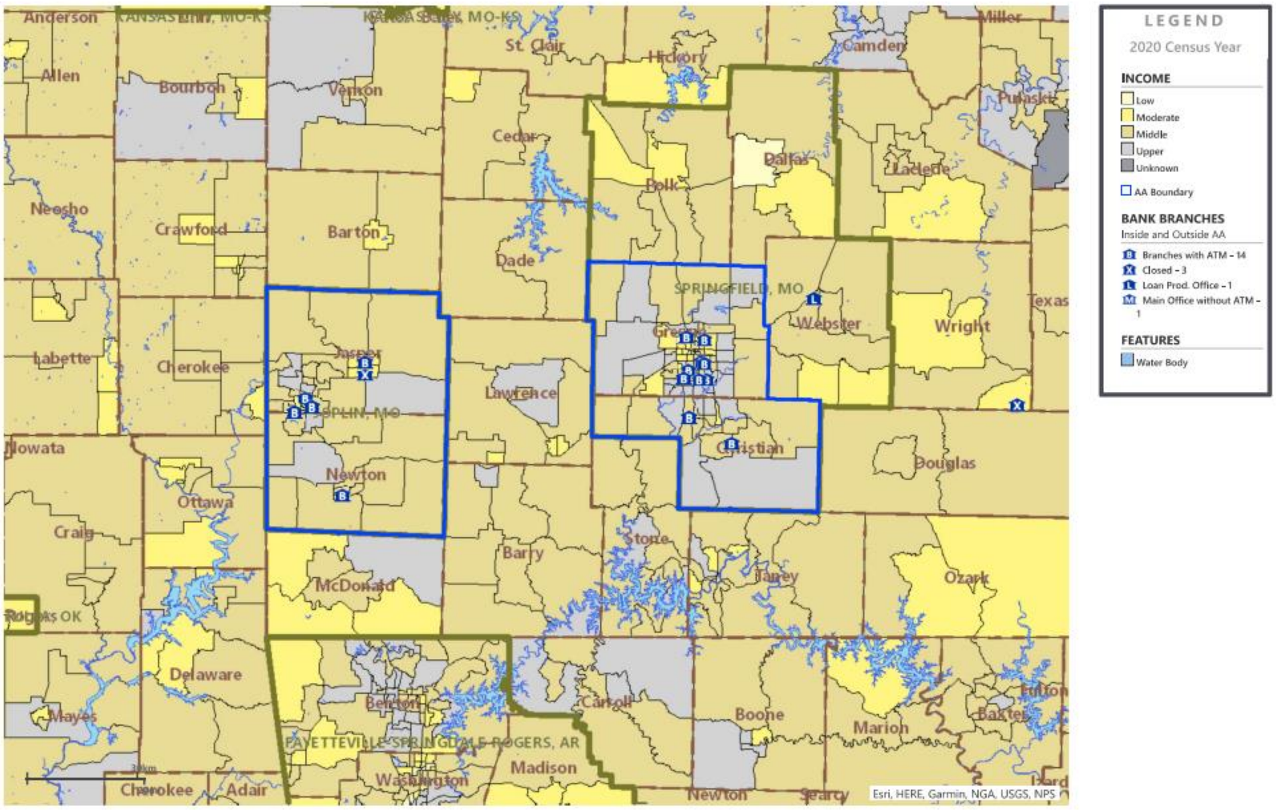
Type of Activity	Affordable Housing		Economic Development		Activities that Revitalize/Stabilize		Community Services		Totals	
	#	$/Hours	#	$/Hours	#	$/Hours	#	$/Hours	#	$/Hours
Lending	2	4,370,000	0	0	5	18,754,650	0	0	7	23,124,650
Investment	0	0	0	0	0	0	0	0	0	0
Donations	2	2,750	3	2,226	2	10,000	22	17,169	29	32,145
Services	5	50	2	17	0	0	29	122	36	189

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

APPENDIX A – Map of Assessment Areas

Combined Assessment Area



APPENDIX B – Demographics and Lending Tables

2022 Springfield, MO MSA 44180 AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	5	5.2	2,672	2.7	690	25.8	17,975	18.4
Moderate	21	21.6	16,291	16.7	3,052	18.7	17,895	18.3
Middle	40	41.2	44,302	45.3	3,433	7.7	21,174	21.7
Upper	29	29.9	34,381	35.2	1,135	3.3	40,738	41.7
Unknown	2	2.1	136	0.1	35	25.7	0	0.0
Total AA	**97**	**100.0**	**97,782**	**100.0**	**8,345**	**8.5**	**97,782**	**100.0**
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	8,251	1,544	1.6	18.7	5,955	72.2	752	9.1
Moderate	34,187	12,799	13.3	37.4	18,880	55.2	2,508	7.3
Middle	76,099	44,063	45.9	57.9	28,098	36.9	3,938	5.2
Upper	49,279	37,585	39.1	76.3	9,795	19.9	1,899	3.9
Unknown	1,425	27	0.0	1.9	1,273	89.3	125	8.8
Total AA	**169,241**	**96,018**	**100.0**	**56.7**	**64,001**	**37.8**	**9,222**	**5.4**
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = $1 Million		Over $1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	331	2.0	299	2.0	31	2.3	1	0.9
Moderate	3,763	22.5	3,212	21.0	535	39.7	16	13.8
Middle	7,601	45.4	7,049	46.1	492	36.5	60	51.7
Upper	4,652	27.8	4,364	28.6	250	18.6	38	32.8
Unknown	398	2.4	358	2.3	39	2.9	1	0.9
Total AA	**16,745**	**100.0**	**15,282**	**100.0**	**1,347**	**100.0**	**116**	**100.0**
Percentage of Total Businesses:				**91.3**		**8.0**		**0.7**
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = $1 Million		Over $1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	1	0.4	1	0.4	0	0.0	0	0.0
Moderate	20	7.5	19	7.2	1	50.0	0	0.0
Middle	141	53.2	140	53.2	1	50.0	0	0.0
Upper	101	38.1	101	38.4	0	0.0	0	0.0
Unknown	2	0.8	2	0.8	0	0.0	0	0.0
Total AA	**265**	**100.0**	**263**	**100.0**	**2**	**100.0**	**0**	**0.0**
Percentage of Total Farms:				**99.2**		**0.8**		**0.0**

Source: 2022 FFIEC Census Data
2022 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Distribution of 2022 Home Mortgage Lending By Income Level of Geography Assessment Area: Springfield, MO MSA 44180					
Geographic Income Level	Bank Loans*				Owner Occupied Units %
	#	#%	$(000)	$%	
Home Purchase Loans					
Low	5	2.5	562	1.2	1.6
Moderate	34	17.0	4,375	9.4	13.3
Middle	96	48.0	22,981	49.3	45.9
Upper	65	32.5	18,718	40.1	39.1
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	200	100.0	46,636	100.0	100.0
Refinance Loans					
Low	4	3.8	491	3.0	1.6
Moderate	15	14.2	1,208	7.3	13.3
Middle	39	36.8	5,965	35.9	45.9
Upper	46	43.4	8,532	51.3	39.1
Unknown	2	1.9	426	2.6	0.0
Tract-Unk	0	0.0	0	0.0	
Total	106	100.0	16,622	100.0	100.0
Home Improvement Loans					
Low	0	0.0	0	0.0	1.6
Moderate	0	0.0	0	0.0	13.3
Middle	1	33.3	121	35.7	45.9
Upper	2	66.7	218	64.3	39.1
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	3	100.0	339	100.0	100.0
Multifamily Loans					Multi-family Units %
Low	0	0.0	0	0.0	14.7
Moderate	6	35.3	7,178	15.3	27.4
Middle	6	35.3	6,696	14.3	44.2
Upper	5	29.4	33,004	70.4	9.6
Unknown	0	0.0	0	0.0	4.1
Tract-Unk	0	0.0	0	0.0	
Total	17	100.0	46,878	100.0	100.0
Total Home Mortgage Loans					Owner Occupied Units %
Low	9	2.8	1,053	1.0	1.6
Moderate	55	16.9	12,761	11.6	13.3
Middle	142	43.6	35,763	32.4	45.9
Upper	118	36.2	60,472	54.7	39.1
Unknown	2	0.6	426	0.4	0.0
Tract-Unk	0	0.0	0	0.0	
Total	326	100.0	110,475	100.0	100.0

Source: 2022 FFIEC Census 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.*

Distribution of 2022 Home Mortgage Lending By Borrower Income Level Assessment Area: Springfield, MO MSA 44180					
Borrower Income Level	Bank Loans*				Families by Family Income %
	#	#%	$(000)	$%	
Home Purchase Loans					
Low	7	3.5	813	1.7	18.4
Moderate	39	19.5	5,999	12.9	18.3
Middle	33	16.5	7,040	15.1	21.7
Upper	79	39.5	21,343	45.8	41.7
Unknown	42	21.0	11,441	24.5	0.0
Total	200	100.0	46,636	100.0	100.0
Refinance Loans					
Low	8	7.5	630	3.8	18.4
Moderate	20	18.9	2,689	16.2	18.3
Middle	14	13.2	2,128	12.8	21.7
Upper	27	25.5	5,969	35.9	41.7
Unknown	37	34.9	5,206	31.3	0.0
Total	106	100.0	16,622	100.0	100.0
Home Improvement Loans					
Low	1	33.3	121	35.7	18.4
Moderate	0	0.0	0	0.0	18.3
Middle	0	0.0	0	0.0	21.7
Upper	1	33.3	18	5.3	41.7
Unknown	1	33.3	200	59.0	0.0
Total	3	100.0	339	100.0	100.0
Total Home Mortgage Loans					
Low	16	5.2	1,564	2.5	18.4
Moderate	59	19.1	8,688	13.7	18.3
Middle	47	15.2	9,168	14.4	21.7
Upper	107	34.6	27,330	43.0	41.7
Unknown	80	25.9	16,847	26.5	0.0
Total	309	100.0	63,597	100.0	100.0

Source: 2022 FFIEC Census 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.*
Multifamily loans are not included in the borrower distribution analysis.

APPENDIX C – Scope of Examination

SCOPE OF EXAMINATION			
TIME PERIOD REVIEWED	**Lending Test:** HMDA-Reportable loans: January 1, 2021 to December 31, 2022 Small Business loans: January 1, 2022 to December 31, 2022 **Community Development Test:** January 21, 2020 to May 1, 2023		
FINANCIAL INSTITUTION Guaranty Bank			**PRODUCTS REVIEWED** HMDA-Reportable Loans Small Business Loans
AFFILIATE(S)	**AFFILIATE RELATIONSHIP**		**PRODUCTS REVIEWED**
None	N/A		N/A

LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA	**TYPE OF EXAMINATION**	**BRANCHES VISITED**	**OTHER INFORMATION**
Springfield, MO MSA #44180	Full scope review	None	N/A
Joplin, MO MSA #27900	Full scope review	None	The bank has operated in this assessment area for approximately a year.

APPENDIX D – Glossary

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Affordability ratio: To determine housing affordability, the affordability ratio is calculated by dividing median household income by median housing value. This ratio allows the comparison of housing affordability across assessment areas and/or communities. An area with a high ratio generally has more affordable housing than an area with a low ratio.

Aggregate lending: The number of loans originated and purchased by all lenders subject to reporting requirements as a percentage of the aggregate number of loans originated and purchased by all lenders in the MSA/assessment area.

American Community Survey Data (ACS): The American Community Survey (ACS) data is based on a nationwide survey designed to provide local communities with reliable and timely demographic, social, economic, and housing data each year. The Census Bureau first released data for geographies of all sizes in 2010. This data is known as the "five-year estimate data." The five-year estimate data is used by the FFIEC as the base file for data used in conjunction with consumer compliance and CRA examinations.[4]

Area Median Income (AMI): AMI means –

1. The median family income for the MSA, if a person or geography is located in an MSA, or for the metropolitan division, if a person or geography is located in an MSA that has been subdivided into metropolitan divisions; or
2. The statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment area: Assessment area means a geographic area delineated in accordance with section 228.41

Automated teller machine (ATM): An automated teller machine means an automated, unstaffed banking facility owned or operated by, or operated exclusively for, the bank at which deposits are received, cash dispersed or money lent.

Bank: Bank means a state member as that term is defined in section 3(d)(2) of the Federal Deposit Insurance Act (12 USC 1813(d)(2)), except as provided in section 228.11(c)(3), and includes an

[4] *Source: FFIEC press release dated October 19, 2011.*

uninsured state branch (other than a limited branch) of a foreign bank described in section 228.11(c)(2).

Branch: Branch refers to a staffed banking facility approved as a branch, whether shared or unshared, including, for example, a mini-branch in a grocery store or a branch operated in conjunction with any other local business or nonprofit organization.

Census tract: Small subdivisions of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. They 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.

Combined Statistical Area (CSAs): Adjacent metropolitan statistical areas/metropolitan divisions (MSA/MDs) and micropolitan statistical areas may be combined into larger Combined Statistical Areas based on social and economic ties as well as commuting patterns. The ties used as the basis for CSAs are not as strong as the ties used to support MSA/MD and micropolitan statistical area designations; however, they do bind the larger area together and may be particularly useful for regional planning authorities and the private sector. Under Regulation BB, assessment areas may be presented under a Combined Statistical Area heading; however, all analysis is conducted on the basis of median income figures for MSA/MDs and the applicable state-wide non metropolitan median income figure.

Community Development: The financial supervisory agencies have adopted the following definition for community development:

1. Affordable housing, including for multi-family housing, for low- and moderate-income households;
2. Community services tailored to meet the needs of low- and moderate-income individuals;
3. Activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration’s Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of $1 million or less; or
4. 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 Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definitions of community development. Activities that revitalize or stabilize:

   1) Low- or moderate-income geographies;
   2) Designated disaster areas; or
   3) Distressed or underserved nonmetropolitan middle-income geographies

designated by the Board, Federal Deposit Insurance Corporation and Office of the Comptroller of the Currency based on:

a. Rates of poverty, unemployment or 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 services including the needs of low- and moderate-income individuals.

Community Development Loan: A community development loan means a loan that:

1) Has as its primary purpose community development; and
2) Except in the case of a wholesale or limited purpose bank –
    a. Has not been reported or collected by the bank or an affiliate for consideration in the bank's assessment as a home mortgage, small business, small farm, or consumer loan, unless it is a multi-family housing loan (as described in the regulation implementing the Home Mortgage Disclosure Act); and
    b. Benefits the bank's assessment area(s) or a broader statewide or regional area that includes the bank's assessment area(s).

Community Development Service: A community development service means a service that:

1) Has as its primary purpose community development; and
2) Is related to the provision of financial services.

Consumer loan: 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 of loans: motor vehicle, credit card, other consumer secured loan, includes loans for home improvement purposes not secured by a dwelling, and other consumer unsecured loan, includes loans for home improvement purposes not secured.

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 household and no wife present) or "female householder" (a family with a female householder and no husband present).

Fair market rent: Fair market rents (FMRs) are gross rent estimates. They include the shelter rent plus the cost of all tenant-paid utilities, except telephones, cable or satellite television service, and internet service. HUD sets FMRs to assure that a sufficient supply of rental housing is available to their program participants. To accomplish this objective, FMRs must be both high enough to permit a selection of units and neighborhoods and low enough to serve as many low-income families as possible. The level at which FMRs are set is expressed as a percentile point within the rent distribution of standard-quality rental housing units. The current definition used is the 40th percentile rent, the dollar amount below which 40 percent of the standard-quality rental housing units are rented. The 40th percentile rent is drawn from the distribution of rents of all units occupied by recent movers (renter households who moved to their present residence within the past 15 months). HUD is required to ensure that FMRs exclude non-market rental housing in their computation. Therefore, HUD excludes all units falling below a specified rent level determined from public housing rents in HUD's program databases as likely to be either assisted housing or otherwise at a below-market rent, and units less than two years old.

Full review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and amount of qualified investments) and qualitative factors (for example, innovativeness, complexity and responsiveness).

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

Home Mortgage Disclosure Act: The statute that requires certain mortgage lenders that do business or have banking offices in metropolitan statistical areas to file annual summary reports of their mortgage lending activity. The reports include data such as the race, gender and income of the applicant(s) and the disposition of the application(s) (for example, approved, denied, and withdrawn).

Home mortgage loans: Are defined in conformance with the definitions of home mortgage activity under the Home Mortgage Disclosure Act and include closed end mortgage loans secured by a dwelling and open-end lines of credit secured by a dwelling. This includes loans for home purchase, refinancing and loans for multi-family housing. It does not include loans for home improvement purposes that are not secured by a dwelling.

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.

Income Level: Income level means:

1) Low-income – an 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 census tract;
2) Moderate-income – an 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 census tract;

3) Middle-income – an 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 census tract; and
4) Upper-income – an individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent in the case of a census tract.

Additional Guidance: .12(m) Income Level: The median family income levels (MFI) for census tracts are calculated using the income data from the United States Census Bureau's American Community Survey and geographic definitions from the Office of Management and Budget (OMB) and are updated approximately every five years (.12(m) Income Level).

Limited-purpose bank: This term refers to a bank that offers only a narrow product line such as credit card or motor vehicle loans to a regional or broader market and for which a designation as a limited-purpose bank is in effect, in accordance with section 228.25(b).

Limited review: Performance under the Lending, Investment, and Services test is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, amount of investments and branch office distribution).

Loan location: Under this definition, a loan is located as follows:

1) Consumer loan is located in the census tract where the borrower resides;
2) Home mortgage loan is located in the census tract where the property to which the loan relates is located;
3) Small business and small farm loan is located in the census tract where the main business facility or farm is located or where the loan proceeds have been applied as indicated by the borrower.

Loan product office: This term refers to a staffed facility, other than a branch, that is open to the public and that provides lending-related services, such as loan information and applications.

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 MA/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development (HUD) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

Metropolitan Area: A metropolitan statistical area (**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 single core population of at least 2.5 million may be divided into MDs. A metropolitan statistical area that crosses into two or more bordering states is called a multistate metropolitan statistical area.

Multifamily: Refers to a residential structure that contains five or more units.

Nonmetropolitan area: This term refers to any area that is not located in a metropolitan statistical area or metropolitan division. Micropolitan statistical areas are included in the definition of a nonmetropolitan area; a micropolitan statistical area has an urban core population of at least 10,000 but less than 50,000.

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: This term refers to any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated area: This term refers to a state or multistate metropolitan area. For institutions with domestic branch offices in one state only, the institution's CRA rating is the state's rating. If the institution maintains domestic branch offices in more than one state, the institution will receive a rating for each state in which those branch offices are located. If the institution maintains domestic branch offices in at least two states in a multistate metropolitan statistical area, the institution will receive a rating for the multistate metropolitan area.

Small Bank: This term refers to a bank that as of December 31 of either of the prior two calendar years, had assets of less than $1.252 billion. Intermediate small bank means a small bank with assets of at least $313 million as of December 31 of both of the prior two calendar years and less than $1.252 billion as of December 31 of either of the prior two calendar years.

Annual Adjustment: The dollar figures in paragraph (u)(1) of this section shall be adjusted annually and published by the Board, based on the year-to-year change in the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers, not seasonally adjusted, for each 12-month period ending in November, with rounding to the nearest million.

Small Business Loan: This term refers to a loan that is included in "loans to small businesses" as defined in the instructions for preparation of the Consolidated Report of Condition and Income. The loans have original amounts of $1 million or less and are either secured nonfarm, nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: This term refers to a loan that is included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Report of Condition and Income. These loans have original amounts of $500 thousand 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.

Wholesale Bank: This term refers to a bank that is not in the business of extending home mortgage, small business, small farm or consumer loans to retail customers, and for which a designation as a wholesale bank is in effect, in accordance with section 228.25(b).