

PUBLIC DISCLOSURE

June 3, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Carroll Bank and Trust
RSSD #541857**

**19510 East Main Street
Huntingdon, Tennessee 38344**

Federal Reserve Bank of St. Louis

**P.O. Box 442
St. Louis, Missouri 63166-0442**

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of the institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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INSTITUTION’S CRA RATING: This institution is rated SATISFACTORY.

The Lending Test is rated: Satisfactory
The Community Development Test is rated: Satisfactory

Carroll Bank and Trust meets the criteria for a Satisfactory rating based on the evaluation of the bank’s lending and community development activities. The factors supporting the institution’s rating include:

- The loan-to-deposit (LTD) ratio is reasonable given the institution’s size and financial condition and the credit needs of the assessment areas.
- A substantial majority of loans and other lending-related activities are in the assessment areas.
- Distribution of loans to borrowers reflects reasonable penetration among individuals of different income levels (including low- and moderate-income (LMI)) and businesses of different revenue sizes.
- Geographic distribution of loans reflects a reasonable dispersion throughout the assessment areas.
- There were no CRA-related complaints filed against the bank since the previous CRA evaluation.
- The bank’s overall community development performance demonstrates adequate responsiveness to the community development needs of its assessment areas, considering the bank’s capacity and the need and availability of such opportunities for community development in the bank’s assessment areas. The bank has responded to these needs through community development loans, qualified investments, and community development services.

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

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

SCOPE OF EXAMINATION

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

The following table details the number of branch offices, breakdown of deposits, and the CRA review procedures applicable to each assessment area completed as part of this evaluation. Deposit information in the following table, as well as deposit information throughout this evaluation, is taken from the Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report data as of June 30, 2023.

Assessment Area	Offices		Deposits		Review Procedures
	#	%	\$ (000s)	%	
Northwestern Tennessee	7	78%	\$312,068	83.0%	Full Scope
Gibson County	2	22%	\$65,165	17.0%	Limited Scope
TOTAL²	9	100%	\$377,233	100%	1 – Full Scope

In light of branch structure, loan and deposit activity, and the bank’s CRA evaluation history, examiners gave CRA performance in the Northwestern Tennessee nonMSA assessment area greater weight when forming ratings, as it contains the majority of the bank’s loan and deposit activity.

Furthermore, residential real estate loans as reported under the Home Mortgage Disclosure Act (HMDA), small business loans, and motor vehicle loans were used to evaluate the bank’s lending performance, as these loan categories are considered the bank’s core business lines based on lending volume and the bank’s business strategy. Therefore, the loan activity represented by these credit products is deemed indicative of overall lending performance. As the bank has a particular emphasis on home mortgage lending, performance based on the HMDA loan category carried the most significance toward the bank’s overall performance conclusions, followed by small business and consumer motor vehicle, which were weighted equally.

The following table details the performance criterion and the corresponding time periods used in each analysis:

Performance Criterion	Time Period
LTD Ratio	September 30, 2019 – March 31, 2024
Assessment Area Concentration	January 1, 2022 – December 31, 2022
Loan Distribution of Borrower’s Profile	
Geographic Distribution of Loans	
Response to Written CRA Complaints	July 17, 2019 – June 2, 2024
Community Development Activities	

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

Lending Test analyses often entail comparisons of bank performance to assessment area demographics and the performance of other lenders, based on HMDA and CRA aggregate lending data. Unless otherwise noted, assessment area demographics are based on 2020 U.S. Census data; certain business are based on 2022 Dun & Bradstreet data. When analyzing bank performance by comparing lending activity to both demographic data and aggregate lending data, greater emphasis is generally placed on the aggregate lending data, because it is expected to describe many factors impacting lenders within an assessment area. Aggregate lending datasets are also updated annually and are, therefore, expected to predict more relevant comparisons. In addition, the bank's lending levels were evaluated in relation to those of comparable financial institutions operating within the same general region. Three other banks were identified as similarly situated peers, with asset sizes ranging from \$704.8 million to \$1.2 billion as of March 31, 2024.

Since its prior examination in July 2019, the bank became a state member bank with the Federal Reserve Bank of St. Louis in 2020 and became an intermediate small bank in 2022. The bank added Henderson County to its Northwestern Tennessee assessment area with the opening of a branch in Henderson County in July 2023. Additionally, Weakley County was added to the bank's Northwestern Tennessee assessment area in 2021. The Jackson, Tennessee partial MSA assessment area was also expanded following the bank's prior examination to include the entirety of Gibson County rather than just its eastern tracts.

As part of the Community Development Test, the bank's performance was evaluated using the following criteria, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's assessment areas:

- The number and dollar amount of community development loans.
- The number and dollar amount of qualified investments and grants.
- The extent to which the bank provides community development services.

The review included community development activities initiated from the date of the bank's previous CRA evaluation to this review date.

To augment this evaluation, two community contact interviews were conducted with members of the local community to ascertain specific credit needs, opportunities, and local market conditions within the bank's full-scope assessment area. Information from these interviews also assisted in evaluating the bank's responsiveness to identified community credit needs and community development opportunities. Key details from these community contact interviews are included in the Northwestern Tennessee *Description of Assessment Area* section.

DESCRIPTION OF INSTITUTION

The bank is a full-service retail bank offering both consumer and commercial loan and deposit products. The bank is wholly owned by Carroll Financial Services, Inc., a single-bank holding company. The bank and its holding company are both headquartered in Huntingdon, Tennessee. The bank's branch network consists of nine offices (including the main office), eight of which are full service. The bank does not have any stand-alone, cash-dispensing ATMs.

For this review period, no legal impediments or financial constraints were identified that would have hindered the bank from serving the credit needs of its customers, and the bank appeared capable of meeting the credit needs of its assessment areas based on its available resources and financial products. As of March 31, 2024, the bank reported total assets of \$506.1 million. As of the same date, loans and leases outstanding were \$374.2 million (73.9 percent of total assets), and deposits totaled \$456.0 million. The bank’s loan portfolio composition by credit category is displayed in the following table.

Distribution of Total Loans as of March 31, 2024		
Credit Category	Amount \$ (000s)	Percentage of Total Loans
1-4 Family Residential	\$159,015	42.5%
Commercial Real Estate	\$57,661	15.4%
Construction and Development	\$49,615	13.3%
Commercial and Industrial	\$43,159	11.5%
Farmland	\$28,667	7.7%
Loans to Individuals	\$23,977	6.4%
Farm Loans	\$5,120	1.4%
Total Other Loans	\$5,560	1.5%
Multifamily Residential	\$1,441	0.4%
TOTAL	\$374,215	100%

As indicated by the table above, a significant portion of the bank’s lending resources is directed to residential real estate, commercial real estate, and construction and development loans. The bank also originates a comparable volume of commercial and industrial loans, as well as farmland loans and loans to individuals.

While not reflected in the previous table, it is also worth noting that by number of loans originated, loans to individuals (such as consumer motor vehicle loans) represent a significant product offering for the bank. Consumer loans not related to residential real estate are typically made in smaller dollar amounts relative to other credit products.

The bank received a Satisfactory rating at its previous CRA evaluation conducted by the FDIC on July 17, 2019.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

Carroll Bank and Trust meets the standards for a satisfactory Lending Test rating under the intermediate small bank procedures, which evaluate bank performance under the following five criteria as applicable.

Loan-to-Deposit (LTD) Ratio

One indication of the bank’s overall level of lending activity is its LTD ratio. The following table displays the bank’s average LTD ratio in comparison to those of regional peers. The average LTD ratio represents a 19-quarter average dating back to the bank’s last CRA evaluation in 2019.

LTD Ratio Analysis			
Name	Headquarters	Asset Size (\$000s) as of March 31, 2024	Average LTD Ratio
Carroll Bank and Trust	Huntingdon, Tennessee	\$506,110	78.2%
Regional Banks	Paris, Tennessee	\$1,218,482	83.9%
	Paris, Tennessee	\$1,015,999	56.2%
	Trezevant, Tennessee	\$704,779	82.1%

Based on data from the previous table, the bank’s level of lending is in line with other similarly situated banks in the region. During the review period, the bank’s quarterly LTD ratio has been slightly increasing after reaching a low of 69.4 percent in the fourth quarter of 2021 before stabilizing between 81.7 and 87.2 percent from the third quarter of 2022 to the present. The majority of peer banks had similar dips in LTD ratios, with most rebounding by late 2022 or early 2023. The bank’s 19-month LTD ratio average of 78.2 percent is within the range of regional banks that averaged between 56.2 percent and 83.9 percent. Therefore, compared to data from regional banks, the bank’s average LTD ratio is reasonable given the bank’s size, financial condition, and credit needs of its assessment areas.

Assessment Area Concentration

For the loan activity reviewed as part of this evaluation, the following table displays the number and dollar volume of loans inside and outside the bank’s assessment areas.

Lending Inside and Outside of Assessment Areas January 1, 2022 through December 31, 2022						
Loan Type	Inside Assessment Areas		Outside Assessment Areas		TOTAL	
HMDA	403	94.2%	25	5.8%	428	100%
	\$44,193	91.3%	\$4,208	8.7%	\$48,401	100%
Small Business	97	84.3%	18	15.7%	115	100%
	\$10,878	83.7%	\$2,117	16.3%	\$12,995	100%
Motor Vehicle	132	97.1%	4	2.9%	136	100%
	\$2,204	97.9%	\$46	2.1%	\$2,251	100%
TOTAL LOANS	632	93.1%	47	6.9%	679	100%
	\$57,275	90.0%	\$6,372	10.0%	\$63,647	100%

A substantial majority of loans and other lending-related activities were made in the bank’s assessment areas. As shown above, 93.1 percent of the total loans were made inside the assessment areas, accounting for 90.0 percent of the dollar volume of total loans.

Borrower and Geographic Distribution

Overall, performance by borrower’s income/revenue profile is reasonable, based on the analyses of lending in both assessment areas.

Full-Scope Assessment Areas	Loan Distribution by Borrower’s Profile
Northwestern Tennessee	REASONABLE
Limited-Scope Assessment Areas	Loan Distribution by Borrower’s Profile
Gibson County	CONSISTENT

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

Full-Scope Assessment Areas	Geographic Distribution of Loans
Northwestern Tennessee	REASONABLE
Limited-Scope Assessment Areas	Geographic Distribution of Loans
Gibson County	CONSISTENT

Responses to Complaints

No CRA-related complaints were filed against the bank during this review period (July 17, 2019 through June 2, 2024).

COMMUNITY DEVELOPMENT TEST

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

Full-Scope Assessment Areas	Community Development Test Performance Conclusions
Northwestern Tennessee	Reasonable

Limited-Scope Assessment Areas	Community Development Test Performance Conclusions
Gibson County	Below

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

During the review period, the bank made four qualifying loans totaling \$3.4 million. Of these, three were for community service and one was for revitalization/stabilization.

The bank also made three community development investments, all of which were new qualified investments, totaling \$2.3 million. Additionally, the bank made 214 community development donations totaling \$418,545, and the bank paid a three-year lease for a financial literacy program that was offered for five local schools in the bank’s assessment areas.

During the review period, bank personnel used financial expertise to log 22 service activities totaling 139 hours within the assessment areas. Service activities included delivering financial education to schools primarily serving LMI families and providing financial expertise to assist LMI individuals procure resources for purchasing a home.

Total Community Development Activities Inside Assessment Areas July 1, 2019 – June 3, 2023			
Community Development Component	#		\$
Loans	4		\$3.4 million
Investments, Current and Prior	3		\$2.3 million
Current Period	3		\$2.3 million
Prior Period, Still Outstanding	N/A		N/A
Donations	214		\$418,545
Services	22 services	139 hours	11 employees

During the COVID-19 pandemic, the bank responded to the needs of the community through its participation in the PPP. Through this program, the bank offered emergency financial assistance to businesses to retain their staff, making 18 PPP loans totaling approximately \$5.5 million, which reflects favorably on the bank’s performance under the CRA.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Based on findings from the Consumer Affairs examination, including a fair lending analysis performed under Regulation B – Equal Credit Opportunity and the Fair Housing Act requirements, conducted concurrently with this CRA evaluation, no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

NORTHWESTERN TENNESSEE NONMETROPOLITAN STATISTICAL AREA

(Full-Scope Review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE NORTHWESTERN TENNESSEE ASSESSMENT AREA

Bank Structure

The bank operates seven of nine branches (77.8 percent) in this assessment area, six of which are full service and one of which is limited. Six of these seven branches are located in middle-income tracts, with the remaining one in an upper-income tract. During this review period, the bank opened one branch in this assessment area, Henderson County in July 2023. It additionally expanded this assessment area to include Weakley County, though this county does not have a branch. Based on this branch network and full-service online banking capabilities, the bank is well positioned to deliver financial services to the entirety of this assessment area.

General Demographics

The assessment area includes Benton, Carroll, Henderson, Henry, and Weakley counties in their entireties. This assessment area is located in a nonMSA portion of northwestern Tennessee. The following table lists the counties in the bank's assessment area along with their respective populations.

County	Population
Benton County	15,864
Carroll County	28,440
Henderson County	27,842
Henry County	32,199
Weakley County	32,902
TOTAL ASSESSMENT AREA POPULATION	137,247

This assessment area is a moderately competitive banking market, with 16 total financial institutions operating within the assessment area. The bank is ranked fifth among the 17 FDIC-insured depository institutions operating within the assessment area, encompassing 8.2 percent of the assessment area's deposit market share.

In addition to a standard mix of credit needs, community contacts identified affordable housing and financial literacy as needs in this assessment area.

Income and Wealth Demographics

The following table summarizes the distribution of assessment area census tracts by income level and the family population within those tracts.

Assessment Area Demographics by Geography Income Level						
Dataset	Low-	Moderate-	Middle-	Upper-	Unknown-	TOTAL
Census Tracts	0	2	37	3	2	44
	0.0%	4.5%	84.1%	6.8%	4.5%	100%
Family Population	0	1,853	30,969	2,757	5	35,584
	0.0%	5.2%	87.0%	7.7%	0.0%	100%

As noted in the table above, the assessment area has no low-income census tracts. Of the 44 census tracts in the assessment area, only 2, or 4.5 percent, are moderate-income geographies. Similarly, only 5.2 percent of the family population resides in these moderate-income tracts.

Of note, the assessment area demographics underwent changes following the 2020 U.S. Census, as two previously moderate-income census tracts were re-classified as middle income. Additionally, one of the two existing moderate-income census tracts is in Henderson County, which was not part of the bank’s assessment area until 2023 when the bank opened its Henderson County branch.

Based on 2020 American Community Survey data, the median family income for the assessment area was \$57,512. At the same time, median family income for nonMSA Tennessee was \$56,418. More recently, the FFIEC estimates the 2022 median family income for nonMSA Tennessee to be \$64,700. The following table displays population percentages of assessment area families by income level compared to the nonMSA Tennessee family population.

Family Population by Income Level					
Dataset	Low-	Moderate-	Middle-	Upper-	TOTAL
Assessment Area	7,583	6,318	7,035	14,648	35,584
	21.3%	17.8%	19.8%	41.2%	100%
NonMSA Tennessee	78,772	73,505	79,147	157,361	388,785
	20.3%	18.9%	20.4%	40.5%	100%

As shown in the above table, 39.1 percent of families within the assessment area were considered LMI, which is approximately equal to the LMI family percentage of 39.2 percent in nonMSA Tennessee. The percentage of families living below the poverty level in the assessment area, 13.6 percent, is slightly above but comparable to the 12.6 percent level in nonMSA Tennessee. Considering these factors, the assessment area has comparable affluency to nonMSA Tennessee as a whole.

Housing Demographics

As displayed below, homeownership in the assessment area is slightly more affordable compared to nonMSA Tennessee as a whole.

Housing Demographics			
Dataset	Median Housing Value	Affordability Ratio	Median Gross Rent (Monthly)
Assessment Area	\$100,165	41.6%	\$651
NonMSA Tennessee	\$131,942	33.0%	\$679

Median gross rents were fairly consistent across the five counties in the assessment area, from a low of \$629 in Weakley County to a high of \$674 in Henderson County. Affordability ratios in the assessment area were also consistent, ranging from a low of 39.3 percent in Henry County to a high of 44.5 percent in Benton County. Community contacts noted that housing was become less affordable for LMI residents in the area due to increasing housing costs, inflation, and new residents moving into the area from more urban areas.

Industry and Employment Demographics

The assessment area supports a sizable business community, including a strong small business sector, as evidenced by Dun & Bradstreet data that indicates that 89.3 percent of assessment area businesses have gross annual revenues of \$1 million or less. County business patterns indicate that there are 32,187 private sector employees in the assessment area. By percentage of private sector employees, the three largest job categories in the assessment area are manufacturing (25.8 percent), followed by retail trade (16.5 percent) and accommodation and food services (10.9 percent). The table below details unemployment data from the U.S. Department of Labor, Bureau of Labor Statistics (not seasonally adjusted) for each county of the assessment area, the assessment area as a whole, and overall nonMSA Tennessee.

Unemployment Levels for the Assessment Area			
Dataset	Time Period (Annual Average)		
	2020	2021	2022
Benton County	7.9%	5.0%	4.1%
Carroll County	7.4%	4.7%	3.9%
Henderson County	8.1%	4.6%	3.6%
Henry County	7.1%	4.3%	4.0%
Weakley County	5.7%	4.0%	3.5%
Assessment Area Overall	7.1%	4.4%	3.8%
NonMSA Tennessee	8.0%	4.6%	3.8%

As shown in the table above, recent 2022 unemployment levels were relatively consistent between individual counties within the assessment area, ranging from a low of 3.5 percent in Weakley County to a high of 4.1 percent in Benton County. As shown, the assessment area as a whole had the same unemployment rate when compared to nonMSA Tennessee as a whole for 2022. Likewise, both the assessment area and nonMSA Tennessee had consistently declining unemployment rates since 2020.

Community Contact Information

For the nonMSA Tennessee assessment area, two community contacts located in different counties were interviewed as part of this evaluation. The interviewees both represented economic development organizations.

Both contacts identified that access to affordable housing in the assessment area is limited. Although home construction occurred during the review period, it was typically high-end housing, out of reach for middle-income and LMI individuals. Additionally, outside investors recently began purchasing property in the area, which has further increased home prices. One contact also noted that due to its location between Nashville and Memphis, more people were moving from these cities to the assessment area and purchasing homes, which was continuing to drive up housing costs. Rental costs also increased, and available rental units have been unable to meet the demand. Further barriers to LMI homeownership include high interest rates, low credit scores, lack of financial literacy, and inability to make down payments.

The contacts noted growth in the manufacturing industry during the examination period. One contact noted inflation had hurt small businesses in the area, as smaller employers could not afford the higher wages. This additionally created higher costs for construction, making building new homes and renovations difficult.

Both contacts noted the need for financial literacy in the area, especially for individuals hoping to start small businesses. One contact stated a desire to see local banks more involved in small business education events, including providing information on business plan development and the basics of financial literacy for businesses. Carroll Bank and Trust was mentioned as having an active presence in the community.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE
NORTHWESTERN TENNESSEE ASSESSMENT AREA**

LENDING TEST

The bank's overall distribution of loans by borrower's income/revenue reflects reasonable penetration among borrowers of different income levels and businesses of different revenue sizes. The overall geographic distribution of loans reflects reasonable penetration throughout the moderate-income census tracts in the assessment area.

Loan Distribution by Borrower's Profile

Overall, the bank's loan distribution by borrower's profile is reasonable, based on performance from all three loan categories reviewed. In reaching overall conclusions, greater emphasis was placed on HMDA, followed by small business loans and consumer motor vehicle loans.

Borrowers are classified into low-, moderate-, middle-, and upper-income categories by comparing their reported income to the applicable median family income figures as estimated by the FFIEC (\$64,700 for nonMSA Tennessee as of 2022). The following table shows the distribution of HMDA-reported loans by borrower income level compared to 2022 aggregate performance for the assessment area and to family population income demographics.

Borrower Distribution of HMDA Loans							
Assessment Area: Northwestern Tennessee							
January 1, 2022 through December 31, 2022							
Borrower Income Levels	Bank Loans		Aggregate HMDA Data	Bank Loans		Aggregate HMDA Data	Families by Family Income %
	#	# %	# %	\$ (000s)	\$ %	\$ %	
Home Purchase Loans							
Low	6	5.3%	5.9%	\$384	3.0%	3.0%	21.3%
Moderate	21	18.4%	18.6%	\$1,834	14.2%	13.2%	17.8%
Middle	23	20.2%	22.2%	\$1,954	15.1%	19.5%	19.8%
Upper	60	52.6%	33.8%	\$8,403	65.1%	43.3%	41.2%
Unknown	4	3.5%	19.5%	\$334	2.6%	21.0%	0.0%
TOTAL	114	100.0%	100.0%	\$12,909	100.0%	100.0%	100.0%
Refinance							
Low	19	8.9%	8.7%	\$777	3.2%	4.3%	21.3%
Moderate	32	15.0%	19.4%	\$2,036	8.4%	13.5%	17.8%
Middle	50	23.4%	25.3%	\$4,442	18.4%	22.1%	19.8%
Upper	96	44.9%	37.9%	\$13,460	55.6%	48.6%	41.2%
Unknown	17	7.9%	7.9%	\$3,492	14.4%	11.4%	0.0%
TOTAL	214	100.0%	100.0%	\$24,207	100.0%	100.0%	100.0%
Home Improvement							
Low	1	16.7%	10.3%	\$51	17.0%	6.1%	21.3%
Moderate	1	16.7%	15.3%	\$70	23.3%	11.2%	17.8%
Middle	0	0.0%	21.2%	\$0	0.0%	19.9%	19.8%
Upper	4	66.7%	49.3%	\$179	59.7%	58.7%	41.2%
Unknown	0	0.0%	3.9%	\$0	0.0%	4.1%	0.0%
TOTAL	6	100.0%	100.0%	\$300	100.0%	100.0%	100.0%
Purpose Not Applicable							
Low	0	0.0%	0.0%	\$0	0.0%	0.0%	21.3%
Moderate	0	0.0%	0.0%	\$0	0.0%	0.0%	17.8%
Middle	0	0.0%	0.0%	\$0	0.0%	0.0%	19.8%
Upper	0	0.0%	0.0%	\$0	0.0%	0.0%	41.2%
Unknown	0	0.0%	100%	\$0	0.0%	100%	0.0%
TOTAL	0	0.0%	100.0%	\$0	0.0%	100.0%	100.0%
Multifamily Loans							% of Multifamily Units
Low	0	0.0%	0.0%	\$0	0.0%	0.0%	N/A
Moderate	0	0.0%	3.6%	\$0	0.0%	0.3%	N/A
Middle	0	0.0%	3.6%	\$0	0.0%	2.8%	N/A
Upper	1	100.0%	25.0%	\$950	100.0%	9.1%	N/A
Unknown	0	0.0%	67.9%	\$0	0.0%	87.8%	N/A
TOTAL	5	100.0%	100.0%	\$2,170	100.0%	100.0%	N/A

Total Home Mortgage Loans							Families by Family Income %
Low	26	7.8%	7.7%	\$1,212	3.2%	3.4%	21.3%
Moderate	54	16.1%	18.4%	\$3,940	10.3%	12.7%	17.8%
Middle	73	21.8%	22.9%	\$6,396	16.7%	19.4%	19.8%
Upper	161	48.1%	37.0%	\$22,992	59.9%	44.2%	41.2%
Unknown	21	6.3%	14.0%	\$3,826	10.0%	20.3%	0.0%
TOTAL	335	100.0%	100.0%	\$38,366	100.0%	100.0%	100.0%

As displayed in the preceding table, the bank’s percentage of lending to low-income borrowers (7.8 percent), though below the low-income family population (21.3 percent), is on par with the aggregate lending level to low-income borrowers (7.7 percent), reflecting reasonable performance. Also, the bank’s percentage of lending to moderate-income borrowers (16.1 percent) is comparable to both the corresponding demographic (17.8 percent) and aggregate (18.4 percent), again reflecting reasonable performance. Therefore, considering performance in both income categories, the bank’s overall distribution of HMDA loans by borrower’s profile is reasonable.

Next, small business loans were reviewed to determine the bank’s lending levels to businesses of different sizes. The following table shows the distribution of 2022 small business loans by loan amount and business revenue size compared to Dun & Bradstreet and aggregate data.

Small Business Loans by Revenue and Loan Size Assessment Area: Northwestern Tennessee January 1, 2022 through December 31, 2022								
Business Revenue and Loan Size		2022						
		Count			Dollars			Total Businesses
		Bank		Aggregate	Bank		Aggregate	
		#	%	%	\$ (000s)	\$ %	\$ %	%
Business Revenue	\$1 Million or Less	60	81.1%	59.9%	\$5,664	69.0%	54.1%	89.3%
	Over \$1 Million/ Unknown	14	18.9%	40.1%	\$2,548	31.0%	45.9%	10.7%
	TOTAL	74	100.0%	100.0%	\$8,212	100.0%	100.0%	100.0%
Loan Size	\$100,000 or Less	57	77.0%	91.2%	\$2,584	31.5%	38.9%	
	\$100,001–\$250,000	10	13.5%	5.5%	\$1,608	19.6%	21.1%	
	\$250,001–\$1 Million	7	9.5%	3.2%	\$4,020	49.0%	40.0%	
	Over \$1 Million	0	0.0%	0.0%	\$0	0.0%	0.0%	
	TOTAL	74	100.0%	100.0%	\$8,212	100.0%	100.0%	
Loan Size Revenue \$1 Million or Less	\$100,000 or Less	48	80.0%		\$2,076	36.7%		
	\$100,001–\$250,000	9	15.0%		\$1,462	25.8%		
	\$250,001–\$1 Million	3	5.0%		\$2,126	37.5%		
	Over \$1 Million	0	0.0%		\$0	0.0%		
	TOTAL	60	100.0%		\$5,664	100.0%		

The bank’s level of lending to small businesses is reasonable. The bank originated the majority of its small business loans (81.1 percent) to businesses with revenues of \$1 million or less. In comparison, assessment area demographics estimate that 89.3 percent of business in the

assessment area had annual revenues of \$1 million or less, and the aggregate lending level to small businesses is 59.9 percent. Additionally, approximately 77.0 percent of the bank’s small business loans were made in dollar amounts equal to or less than \$100,000, which is generally considered a greater need for small businesses.

Lastly, the distribution of consumer motor vehicle loans was analyzed by income level of the borrower. The following table shows the distribution of consumer motor vehicle loans compared to household income characteristics for the assessment area.

Borrower Distribution of Consumer Motor Vehicle Loans					
Assessment Area: Northwestern Tennessee					
January 1, 2022 through December 31, 2022					
Borrower Income Levels	2022				
	Count		Dollars		Households
	#	%	\$ (000s)	\$ %	%
Low	33	31.4%	\$459	25.9%	26.5%
Moderate	33	31.4%	\$517	29.1%	17.5%
Middle	23	21.9%	\$423	23.8%	16.4%
Upper	16	15.2%	\$375	21.1%	39.6%
Unknown	0	0.0%	\$0	0.0%	0.0%
TOTAL	105	100.0%	\$1,774	100.0%	100.0%

The bank’s level of lending to low-income borrowers (31.4 percent) exceeds the percentage of assessment area households that are low income (26.5 percent) and is considered excellent. The bank’s level of lending to moderate-income borrowers (31.4 percent) nearly doubles the percentage of assessment area households that are moderate income (17.5 percent) and is considered excellent. When considering overall performance based on both income categories, the bank’s distribution of consumer motor vehicle loans by borrower’s profile is excellent.

Geographic Distribution of Loans

The Northwestern Tennessee assessment area does not include any low-income tracts and only has two moderate-income census tracts, representing 4.5 percent of all assessment area census tracts. As previously noted, one of these two census tracts is in Henderson County, which was added to the assessment area when the bank opened the Henderson County branch in July 2023, after the year of data being analyzed (2022). Additionally, during the review period, the bank previously operated two assessment area branches in or adjacent to moderate-income geographies. Following changes made to this data based on the 2020 U.S. Census, both these tracts were redesignated as middle-income tracts.

Given these factors, and despite the limited small business or motor vehicle loans to the moderate-income tracts in 2022, overall, the bank’s geographic distribution of loans reflects reasonable penetration based on the three loan categories reviewed.

The following table displays the geographic distribution of 2022 HMDA loans compared to aggregate lending data for the assessment area's owner-occupied housing demographics.

Geographic Distribution of HMDA Loans Assessment Area: Northwestern Tennessee January 1, 2022 through December 31, 2022							
Census Tract Income Level	Bank		HMDA Aggregate	Bank		HMDA Aggregate	% of Owner- Occupied Units
	#	%	%	\$ (000s)	\$ %	\$ %	%
Home Purchase							
Low	0	0.0%	0.0%	\$0	0.0%	0.0%	0.0%
Moderate	5	4.4%	4.1%	\$361	2.8%	3.2%	4.6%
Middle	99	86.8%	89.0%	\$11,753	91.0%	89.6%	87.9%
Upper	10	8.8%	6.9%	\$795	6.2%	7.1%	7.6%
Unknown	0	0.0%	0.1%	\$0	0.0%	0.1%	0.0%
TOTAL	114	100.0%	100.0%	\$12,909	100.0%	100.0%	100.0%
Refinance							
Low	0	0.0%	0.0%	\$0	0.0%	0.0%	0.0%
Moderate	3	1.4%	3.1%	\$271	1.1%	2.5%	4.6%
Middle	192	89.7%	89.6%	\$22,398	92.5%	89.5%	87.9%
Upper	19	8.9%	7.3%	\$1,538	6.4%	8.0%	7.6%
Unknown	0	0.0%	0.0%	\$0	0.0%	0.0%	0.0%
TOTAL	214	100.0%	100.0%	\$24,207	100.0%	100.0%	100.0%
Home Improvement							
Low	0	0.0%	0.0%	\$0	0.0%	0.0%	0.0%
Moderate	0	0.0%	1.5%	\$0	0.0%	0.7%	4.6%
Middle	6	100.0%	89.7%	\$300	100.0%	88.5%	87.9%
Upper	0	0.0%	8.9%	\$0	0.0%	10.8%	7.6%
Unknown	0	0.0%	0.0%	\$0	0.0%	0.0%	0.0%
TOTAL	6	100.0%	100.0%	\$300	100.0%	100.0%	100.0%
Purpose Not Applicable							
Low	0	0.0%	0.0%	\$0	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	\$0	0.0%	0.0%	4.6%
Middle	0	0.0%	94.7%	\$0	0.0%	98.9%	87.9%
Upper	0	0.0%	5.3%	\$0	0.0%	1.1%	7.6%
Unknown	0	0.0%	0.0%	\$0	0.0%	0.0%	0.0%
TOTAL	0	0.0%	100.0%	\$0	0.0%	100.0%	100.0%
Multifamily Loans							% of Multifamily Units
Low	0	0.0%	0.0%	\$0	0.0%	0.0%	0.0%
Moderate	0	0.0%	14.3%	\$0	0.0%	14.9%	18.0%
Middle	1	100.0%	75.0%	\$950	100.0%	60.7%	62.6%
Upper	0	0.0%	7.1%	\$0	0.0%	1.9%	6.1%
Unknown	0	0.0%	3.6%	\$0	0.0%	22.5%	13.3%
TOTAL	1	100.0%	100.0%	\$950	100.0%	100.0%	100.0%

Total Home Mortgage Loans							% of Owner-Occupied Units
Low	0	0.0%	0.0%	\$0	0.0%	0.0%	0.0%
Moderate	8	2.4%	3.5%	\$632	1.6%	3.4%	4.6%
Middle	298	89.0%	89.6%	\$35,401	92.3%	88.4%	87.9%
Upper	29	8.7%	6.8%	\$2,333	6.1%	7.0%	7.6%
Unknown	0	0.0%	0.1%	\$0	0.0%	1.1%	0.0%
TOTAL	335	100.0%	100.0%	\$38,366	100.0%	100.0%	100.0%

The analysis of HMDA loans revealed reasonable lending performance to borrowers residing in moderate-income geographies. The bank’s total penetration of moderate-income census tracts by number of loans is 2.4 percent. The bank’s performance in moderate-income census tracts is slightly below that of other lenders in the assessment area based on aggregate data, which indicates that 3.5 percent of HMDA loans inside this assessment area were made to borrowers residing in moderate-income geographies. Additionally, the bank’s total penetration of moderate-income census tracts by number of loans only slightly trails the percentage of owner-occupied housing units in moderate-income census tracts (4.6 percent).

Second, the bank’s geographic distribution of small business loans was reviewed. The following table displays 2022 small business loan activity by geography income level compared to 2022 small business aggregate data and the location of businesses throughout this assessment area.

Geographic Distribution of Small Business Loans Assessment Area: Northwestern Tennessee January 1, 2022 through December 31, 2022							
Census Tract Income Level	Bank Small Business Loans		Aggregate of Peer Data	Bank Small Business Loans		Aggregate of Peer Data	% of Businesses
	#	# %	%	\$ (000s)	\$ %	\$ %	
Low	0	0.0%	0.0%	\$0	0.0%	0.0%	0.0%
Moderate	0	0.0%	6.7%	\$0	0.0%	5.9%	9.4%
Middle	67	90.5%	87.2%	\$7,371	89.8%	89.5%	84.1%
Upper	7	9.5%	5.3%	\$841	10.2%	4.4%	5.4%
Unknown	0	0.0%	0.8%	\$0	0.0%	0.2%	1.1%
TOTAL	74	100.0%	100.0%	\$8,212	100.0%	100.0%	100.0%

As shown above, the bank did not originate any small business loans in the moderate-income census tracts in 2022, compared to the aggregate level of lending in moderate-income census tracts (6.7 percent) and the demographic figure (9.4 percent). Although the performance context described earlier regarding changes to census tract designations and the expanded assessment area delineation can explain why the bank may trail the aggregate and demographic, the bank’s lack of small business lending penetration in moderate-income census tracts still represents poor performance.

Finally, the bank’s geographic distribution of consumer motor vehicle lending was reviewed. The following table displays the sampling of 2022 consumer motor vehicle lending activity by geography income level compared to the location of households throughout this assessment area.

Geographic Distribution of Consumer Motor Vehicle Loans					
Assessment Area: Northwestern Tennessee					
January 1, 2022 through December 31, 2022					
Tract Income Levels	Bank Loans				% of Households
	#	# %	\$ (000s)	\$ %	
Low	0	0.0%	\$0	0.0%	0.0%
Moderate	0	0.0%	\$0	0.0%	6.2%
Middle	91	86.7%	\$1,516	85.5%	85.9%
Upper	14	13.3%	\$258	14.5%	7.5%
Unknown	0	0.0%	\$0	0.0%	0.4%
TOTAL	105	100.0%	\$1,774	100.0%	100.0%

Similar to small business lending, the bank’s percentage of consumer motor vehicle loans in moderate-income census tracts lagged the percentage of households residing in moderate-income tracts (6.2 percent) and is deemed poor.

Lastly, based on reviews from all loan categories, the bank had loan activity in 79.5 percent of all assessment area census tracts. While not all census tracts contain HMDA, small business, and/or consumer motor vehicle loans, only one moderate-, five middle-, one upper-, and two unknown-income tracts did not contain a loan. Additionally, there were no conspicuous lending gaps noted in LMI areas.

Importantly, when accounting for Henderson County, given its newness to the assessment area after the 2022 period used in the borrower and geographic distribution analyses, the bank had 100 percent penetration in LMI tracts of Benton, Carroll, Henry, and Weakley counties, while having only a 91 percent penetration into middle- and upper-income tracts in these four counties during 2022. This information supports the conclusion that the bank’s overall geographic distribution of loans is reasonable.

COMMUNITY DEVELOPMENT TEST

The bank’s overall community development performance demonstrates adequate responsiveness to the community development needs of the assessment area, considering the bank’s capacity, area needs, and the availability of opportunities. The bank has addressed the community development needs of the assessment area through community development loans, qualified investments and grants, and community development services.

During the review period, the bank extended four community development loans in this assessment area totaling \$3.4 million. Of these, three were for community service and one was for revitalization/stabilization. The bank also made three community development investments, all of which were new qualified investments totaling \$1.9 million.

Additionally, the bank made 179 community development donations totaling \$357,506. This included approximately \$214,000 donated to local primary and secondary schools where the majority of students receive free or reduced lunch. These donations included the bank paying a three-year lease for a financial literacy program that provides local schools with access to various programs intended to educate students about personal finances, entrepreneurship, and credit.

During the review period, bank personnel used financial expertise to log 22 service activities totaling 139 hours within the Northwestern Tennessee assessment area. Service activities included delivering financial education to schools primarily serving LMI families and providing financial expertise to assist LMI individuals procure resources for purchasing a home. As part of its service activities, the bank partnered with a Federal Home Loan Bank Affordable Housing Program and Community Action Network to assist LMI and disabled individuals receive emergency housing repairs.

JACKSON, TENNESSEE METROPOLITAN STATISTICAL AREA

(Limited-Scope Review)

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE GIBSON COUNTY ASSESSMENT AREA

The bank operates two full-service branches in this assessment area, which includes the entirety of Gibson County. The tables below detail key demographics relating to this assessment area.

Assessment Area Demographics by Population Income Level					
Demographic Type	Population Income Level				TOTAL
	Low-	Moderate-	Middle-	Upper-	
Family Population	2,697	2,480	2,785	5,242	13,204
	20.4%	18.8%	21.1%	39.7%	100.0%
Household Population	5,292	3,200	3,306	7,796	19,594
	27.0%	16.3%	16.9%	39.8%	100.0%

Assessment Area Demographics by Geography Income Level						
Dataset	Geography Income Level					TOTAL
	Low-	Moderate-	Middle-	Upper-	Unknown-	
Census Tracts	1	1	12	2	1	17
	5.9%	5.9%	70.6%	11.8%	5.9%	100.0%
Family Population	783	636	9,146	2,639	0	13,204
	5.9%	4.8%	69.3%	20.0%	0.0%	100.0%
Household Population	1,232	1,070	14,101	3,191	0	19,594
	6.3%	5.5%	72.0%	16.3%	0.0%	100.0%
Business Institutions	86	93	924	170	2	1,274
	6.8%	7.2%	72.5%	13.3%	0.2%	100.0%

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

LENDING TEST

The bank’s Lending Test performance in this assessment area is consistent with applicable assessment areas reviewed using full-scope procedures, as summarized in the following table. For more detailed information relating to the bank’s Lending Test performance in this assessment area, see the tables in *Appendix A*.

Lending Test Criteria	Performance
Distribution of Loans by Borrower’s Profile	Consistent
Geographic Distribution of Loans	Consistent
OVERALL	Consistent

COMMUNITY DEVELOPMENT TEST

The bank’s Community Development Test performance in this assessment area is below the bank’s Community Development Test performance in comparable assessment areas reviewed using full-scope procedures.

During the review period, the bank made 35 donations totaling approximately \$61,040 to local primary and secondary schools where the majority of students receive free or reduced lunch, thus providing community services to LMI individuals. Additionally, the bank invested in a mortgage-backed security with approximately \$370,806 in loans to LMI borrowers.

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

Gibson County Assessment Area

Borrower Distribution of HMDA Loans Assessment Area: Gibson County January 1, 2022 through December 31, 2022							
Borrower Income Levels	Bank Loans		Aggregate HMDA Data	Bank Loans		Aggregate HMDA Data	Families by Family Income %
	#	# %	# %	\$ (000s)	\$ %	\$ %	
Home Purchase Loans							
Low	1	5.9%	4.1%	\$25	1.6%	1.9%	20.4%
Moderate	2	11.8%	21.3%	\$188	11.9%	14.3%	18.8%
Middle	1	5.9%	20.4%	\$100	6.3%	20.0%	21.1%
Upper	12	70.6%	32.2%	\$1,150	72.9%	40.9%	39.7%
Unknown	1	5.9%	21.9%	\$115	7.3%	23.0%	0.0%
TOTAL	17	100.0%	100.0%	\$1,578	100.0%	100.0%	100.0%
Refinance							
Low	3	9.1%	8.4%	\$172	6.0%	3.9%	20.4%
Moderate	5	15.2%	19.6%	\$376	13.1%	13.3%	18.8%
Middle	6	18.2%	24.0%	\$636	22.2%	24.8%	21.1%
Upper	12	36.4%	32.9%	\$1,104	38.5%	41.0%	39.7%
Unknown	7	21.2%	15.1%	\$581	20.3%	16.9%	0.0%
TOTAL	33	100.0%	100.0%	\$2,869	100.0%	100.0%	100.0%
Home Improvement							
Low	0	0.0%	2.9%	\$0	0.0%	1.0%	20.4%
Moderate	0	0.0%	8.7%	\$0	0.0%	4.2%	18.8%
Middle	1	50.0%	21.2%	\$31	50.0%	15.2%	21.1%
Upper	1	50.0%	64.4%	\$31	50.0%	77.1%	39.7%
Unknown	0	0.0%	2.9%	\$0	0.0%	2.5%	0.0%
TOTAL	2	100.0%	100.0%	\$62	100.0%	100.0%	100.0%
Purpose Not Applicable							
Low	0	0.0%	9.1%	\$0	0.0%	8.0%	20.4%
Moderate	0	0.0%	0.0%	\$0	0.0%	0.0%	18.8%
Middle	0	0.0%	0.0%	\$0	0.0%	0.0%	21.1%
Upper	0	0.0%	0.0%	\$0	0.0%	0.0%	39.7%
Unknown	0	0.0%	90.9%	\$0	0.0%	92.0%	0.0%
TOTAL	0	0.0%	100.0%	\$0	0.0%	100.0%	100.0%

Multifamily Loans							% of Multifamily Units
Low	1	50.0%	8.3%	\$65	16.7%	0.9%	N/A
Moderate	0	0.0%	8.3%	\$0	0.0%	1.7%	N/A
Middle	0	0.0%	0.0%	\$0	0.0%	0.0%	N/A
Upper	1	50.0%	25.0%	\$325	83.3%	12.7%	N/A
Unknown	0	0.0%	58.3%	\$0	0.0%	84.7%	N/A
TOTAL	2	100.0%	100.0%	\$390	100.0%	100.0%	N/A
Total Home Mortgage Loans							Families by Family Income %
Low	5	9.3%	5.5%	\$262	5.3%	2.4%	20.4%
Moderate	7	13.0%	19.2%	\$564	11.5%	13.2%	18.8%
Middle	8	14.8%	21.2%	\$767	15.7%	20.1%	21.1%
Upper	26	48.1%	35.5%	\$2,610	53.3%	41.7%	39.7%
Unknown	8	14.8%	18.6%	\$696	14.2%	22.6%	0.0%
TOTAL	54	100.0%	100.0%	\$4,899	100.0%	100.0%	100.0%

Small Business Loans by Revenue and Loan Size Assessment Area: Gibson County January 1, 2022 through December 31, 2022								
Business Revenue and Loan Size		2022						
		Count			Dollars			Total Businesses
		Bank		Aggregate	Bank		Aggregate	
		#	%	%	\$ (000s)	\$ %	\$ %	%
Business Revenue	\$1 Million or Less	19	86.4%	52.7%	\$1,468	82.5%	37.8%	89.7%
	Over \$1 Million/ Unknown	3	13.6%	47.3%	\$311	17.5%	62.2%	10.3%
	TOTAL	22	100.0%	100.0%	\$1,779	100.0%	100.0%	100.0%
Loan Size	\$100,000 or Less	18	81.8%	91.0%	\$660	37.1%	34.8%	
	\$100,001–\$250,000	2	9.1%	5.2%	\$319	17.9%	21.9%	
	\$250,001–\$1 Million	2	9.1%	3.8%	\$800	45.0%	43.4%	
	Over \$1 Million	0	0.0%	0.0%	\$0	0.0%	0.0%	
	TOTAL	22	100.0%	100.0%	\$1,779	100.0%	100.0%	
Loan Size Revenue \$1 Million or Less	\$100,000 or Less	16	84.2%		\$568	38.7%		
	\$100,001–\$250,000	1	5.3%		\$100	6.8%		
	\$250,001–\$1 Million	2	10.5%		\$800	54.5%		
	Over \$1 Million	0	0.0%		\$0	0.0%		
	TOTAL	19	100.0%		\$1,468	100.0%		

Borrower Distribution of Consumer Motor Vehicle Loans					
Assessment Area: Gibson County					
January 1, 2022 through December 31, 2022					
Borrower Income Levels	2022				
	Count		Dollars		Households
	#	%	\$ (000s)	\$ %	%
Low	7	25.9%	\$81	19.2%	27.0%
Moderate	8	29.6%	\$130	30.8%	16.3%
Middle	8	29.6%	\$128	30.3%	16.9%
Upper	4	14.8%	\$83	19.7%	39.8%
Unknown	0	0.0%	\$0	0.0%	0.0%
TOTAL	27	100.0%	\$422	100.0%	100.0%

Geographic Distribution of HMDA Loans Assessment Area: Gibson County January 1, 2022 through December 31, 2022							
Census Tract Income Level	Bank Loans		Aggregate HMDA Data	Bank Loans		Aggregate HMDA Data	% of Owner- Occupied Units
	#	# %	# %	\$ (000s)	\$ %	\$ %	
Home Purchase Loans							
Low	1	5.9%	6.4%	\$54	3.4%	5.0%	4.1%
Moderate	0	0.0%	2.8%	\$0	0.0%	2.1%	4.6%
Middle	15	88.2%	63.1%	\$1,454	92.1%	55.1%	71.7%
Upper	1	5.9%	27.6%	\$70	4.4%	37.8%	19.6%
Unknown	0	0.0%	0.0%	\$0	0.0%	0.0%	0.0%
TOTAL	17	100.0%	100.0%	\$1,578	100.0%	100.0%	100.0%
Refinance							
Low	2	6.1%	6.2%	\$100	3.5%	4.2%	4.1%
Moderate	0	0.0%	1.5%	\$0	0.0%	0.7%	4.6%
Middle	30	90.9%	71.3%	\$2,618	91.3%	64.1%	71.7%
Upper	1	3.0%	21.0%	\$151	5.3%	31.0%	19.6%
Unknown	0	0.0%	0.0%	\$0	0.0%	0.0%	0.0%
TOTAL	33	100.0%	100.0%	\$2,869	100.0%	100.0%	100.0%
Home Improvement							
Low	0	0.0%	3.8%	\$0	0.0%	3.0%	4.1%
Moderate	0	0.0%	5.8%	\$0	0.0%	2.9%	4.6%
Middle	2	100.0%	54.8%	\$62	100.0%	54.4%	71.7%
Upper	0	0.0%	35.6%	\$0	0.0%	39.7%	19.6%
Unknown	0	0.0%	0.0%	\$0	0.0%	0.0%	0.0%
TOTAL	2	100.0%	100.0%	\$62	100.0%	100.0%	100.0%
Purpose Not Applicable							
Low	0	0.0%	18.2%	\$0	0.0%	28.0%	4.1%
Moderate	0	0.0%	0.0%	\$0	0.0%	0.0%	4.6%
Middle	0	0.0%	72.7%	\$0	0.0%	63.9%	71.7%
Upper	0	0.0%	9.1%	\$0	0.0%	8.1%	19.6%
Unknown	0	0.0%	0.0%	\$0	0.0%	0.0%	0.0%
TOTAL	0	0.0%	100.0%	\$0	0.0%	100.0%	100.0%
Multifamily Loans							% of Multifamily Units
Low	0	0.0%	16.7%	\$0	0.0%	15.0%	12.7%
Moderate	0	0.0%	0.0%	\$0	0.0%	0.0%	0.4%
Middle	2	100.0%	75.0%	\$390	100.0%	74.2%	86.8%
Upper	0	0.0%	8.3%	\$0	0.0%	10.9%	0.1%
Unknown	0	0.0%	0.0%	\$0	0.0%	0.0%	0.0%
TOTAL	2	100.0%	100.0%	\$390	100.0%	100.0%	100.0%

Total Home Mortgage Loans							Total Home Mortgage Loans
Low	3	5.6%	6.0%	\$154	3.1%	5.0%	4.1%
Moderate	0	0.0%	2.6%	\$0	0.0%	1.7%	4.6%
Middle	49	90.7%	64.9%	\$4,524	92.3%	57.8%	71.7%
Upper	2	3.7%	26.5%	\$221	4.5%	35.4%	19.6%
Unknown	0	0.0%	0.0%	\$0	0.0%	0.0%	0.0%
TOTAL	54	100.0%	100.0%	\$4,899	100.0%	100.0%	100.0%

Geographic Distribution of Small Business Loans							
Assessment Area: Gibson County							
January 1, 2022 through December 31, 2022							
Census Tract Income Level	Bank Small Business Loans		Aggregate of Peer Data	Bank Small Business Loans		Aggregate of Peer Data	% of Businesses
	#	# %	%	\$ (000s)	\$ %	\$ %	
Low	0	0.0%	5.6%	\$0	0.0%	3.9%	6.8%
Moderate	0	0.0%	5.4%	\$0	0.0%	6.8%	7.2%
Middle	19	86.4%	69.1%	\$976	54.9%	66.0%	72.5%
Upper	3	13.6%	18.9%	\$803	45.1%	23.0%	13.3%
Unknown	0	0.0%	1.0%	\$0	0.0%	0.3%	0.2%
TOTAL	22	100.0%	100.0%	\$1,779	100.0%	100.0%	100.0%

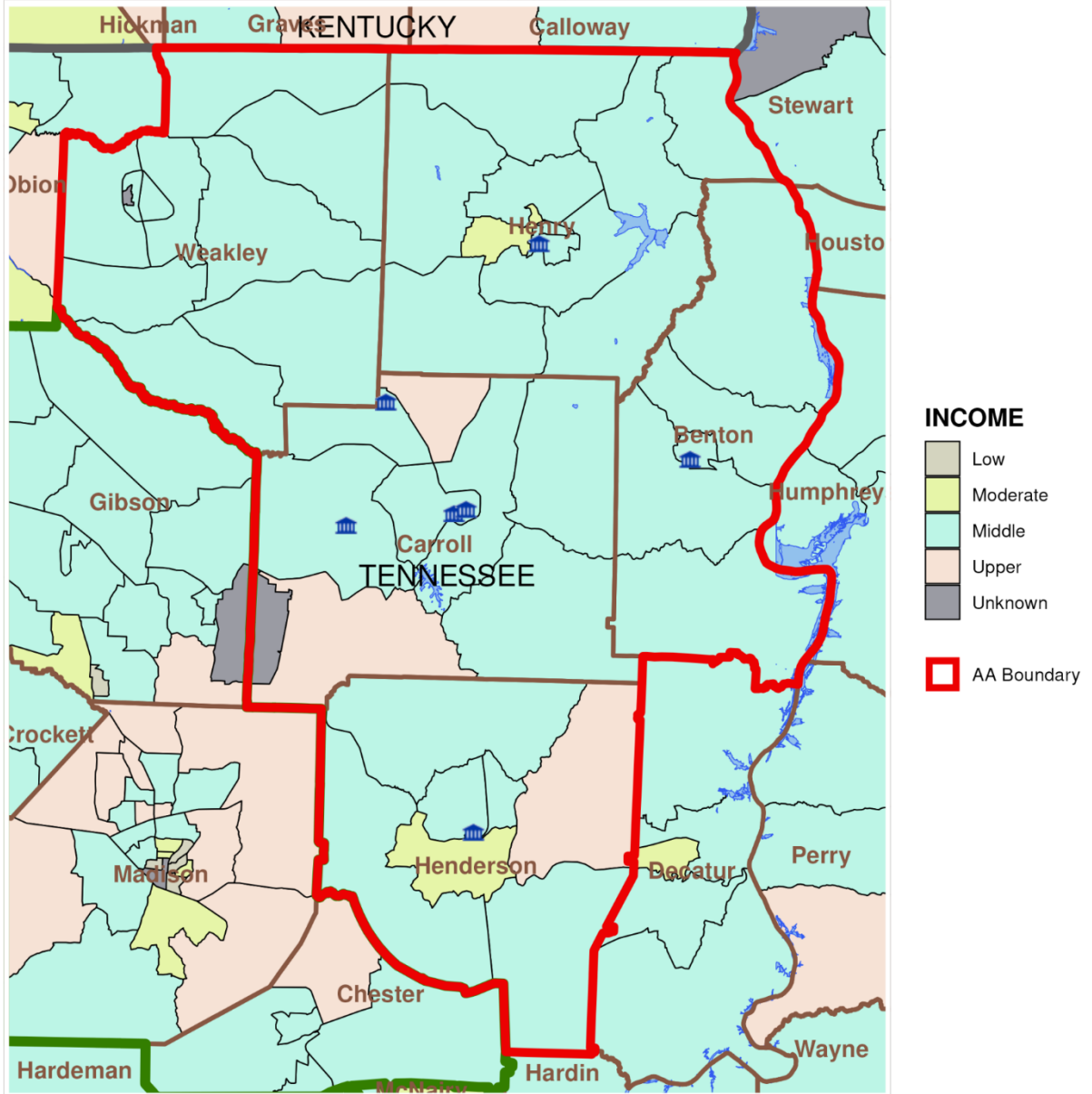
Geographic Distribution Consumer Motor Vehicle Loans					
Assessment Area: Gibson County					
January 1, 2022 through December 31, 2022					
Tract Income Levels	Bank Loans				% of Households
	#	# %	\$ (000s)	\$ %	
Low	0	0.0%	\$0	0.0%	6.3%
Moderate	0	0.0%	\$0	0.0%	5.5%
Middle	23	85.2%	\$330	78.0%	72.0%
Upper	4	14.8%	\$93	22.0%	16.3%
Unknown	0	0.0%	\$0	0.0%	0.0%
TOTAL	27	100.0%	\$423	100.0%	100.0%

APPENDIX B – ASSESSMENT AREAS DETAIL

Northwestern Tennessee Assessment Area

Carroll Bank and Trust

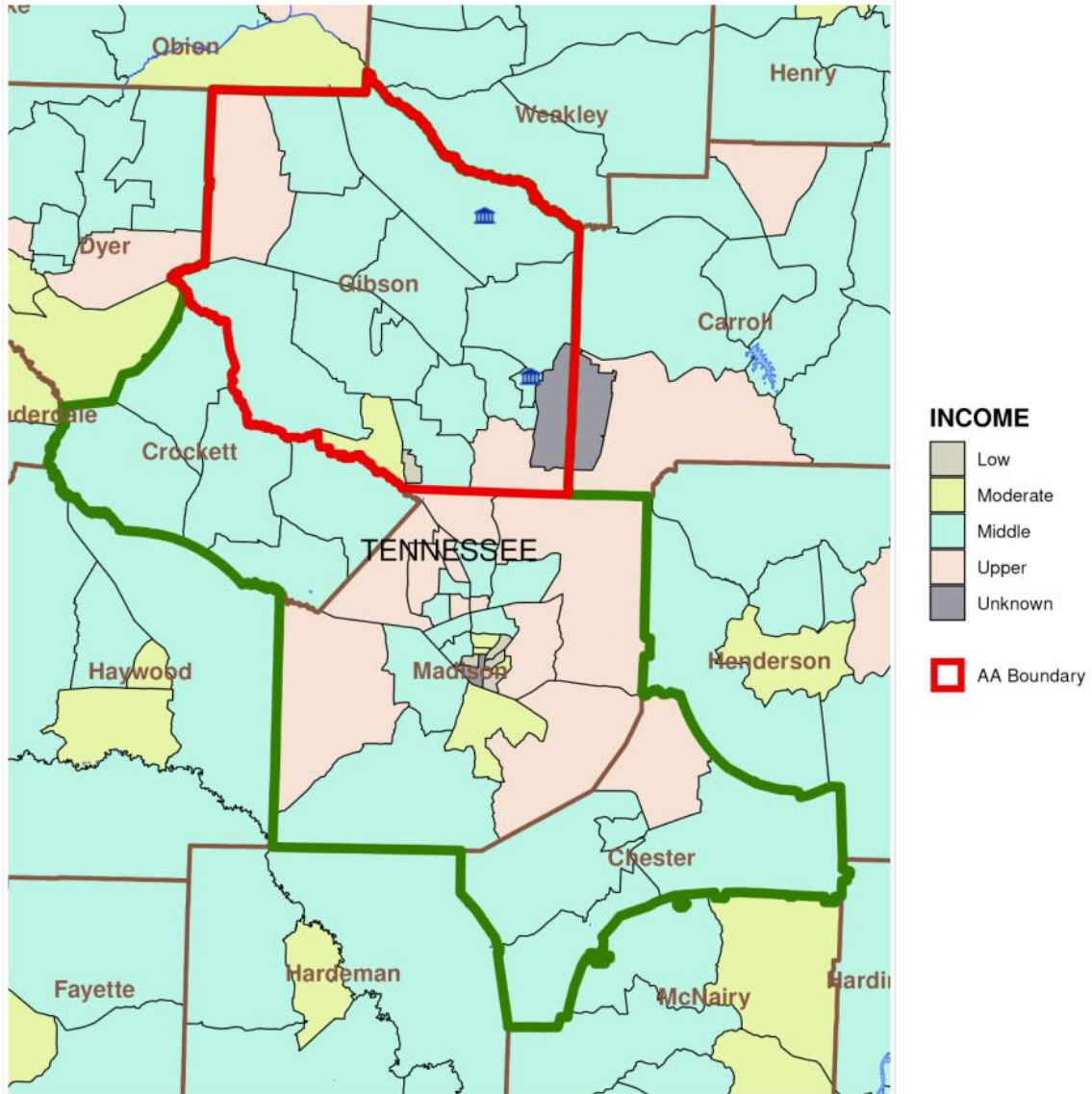
NonMSA TN, AA 2022 - Tract Income



Gibson County Assessment Area

Carroll Bank and Trust

Jackson, TN Partial MSA AA 2022 - Tract Income



APPENDIX C – GLOSSARY

Aggregate lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Assessment area: One or more of the geographic areas delineated by the bank and used by the regulatory agency to assess an institution's record of CRA performance.

Census tract: A small subdivision of metropolitan and nonmetropolitan counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely, depending on population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community contact: Interviews conducted as part of the CRA examination to gather information that might assist examiners in understanding the bank's community, available opportunities for helping to meet local credit and community development needs, and perceptions on the performance of financial institutions in helping meet local credit needs. Communications and information gathered can help to provide a context to assist in the evaluation of an institution's CRA performance.

Community development: An activity associated with one of the following five descriptions: (1) affordable housing (including multifamily rental housing) for low- or moderate-income individuals; (2) community services targeted to low- or moderate-income individuals; (3) activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; (4) activities that revitalize or stabilize low- or moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies; or (5) Neighborhood Stabilization Program (NSP) eligible activities in areas with HUD-approved NSP plans, which are conducted within two years after the date when NSP program funds are required to be spent and benefit low-, moderate-, or middle-income individuals and geographies.

Consumer loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Demographics: The statistical characteristics of human populations (e.g., age, race, sex, and income) used especially to identify markets.

Distressed nonmetropolitan middle-income geography: A middle-income, nonmetropolitan geography will be designated as distressed if it is in a county that meets one or more of the following triggers: (1) an unemployment rate of at least 1.5 times the national average, (2) a poverty rate of 20 percent or more, or (3) a population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

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

Full-scope review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

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

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders who do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and income of applicants; the amount of loan requested; and the disposition of the application (e.g., approved, denied, and withdrawn).

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes, and refinancing of home improvement and home purchase loans.

Household: One or more persons who occupy a housing unit. The occupants may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements.

Housing affordability ratio: Calculated by dividing the median household income by the median housing value. It represents the amount of single family, owner-occupied housing that a dollar of income can purchase for the median household in the census tract. Values closer to 100 percent indicate greater affordability.

Limited-scope review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

Market share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Median family income: The dollar amount that divides the family income distribution into two equal groups, half having incomes above the median, half having incomes below the median. The median family income is based on all families within the area being analyzed.

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. An MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. An MD is a division of an MSA based on specific criteria including commuting patterns. Only an MSA that has a population of at least 2.5 million may be divided into MDs.

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

Moderate-income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent in the case of a geography.

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

Nonmetropolitan statistical area (nonMSA): Not part of a metropolitan area. (See metropolitan area.)

Other products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

Owner-occupied units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Performance context: The performance context is a broad range of economic, demographic, and institution- and community-specific information that an examiner reviews to understand the context in which an institution's record of performance should be evaluated. The performance context is not a formal or written assessment of community credit needs.

Performance criteria: These are the different criteria against which a bank's performance in helping to meet the credit needs of its assessment area(s) is measured. The criteria relate to lending, investment, retail service, and community development activities performed by a bank. The performance criteria have both quantitative and qualitative aspects. There are different sets of criteria for large banks, intermediate small banks, small banks, wholesale/limited purpose banks, and strategic plan banks.

Performance evaluation (PE): A written evaluation of a financial institution's record of meeting the credit needs of its community, as prepared by the federal financial supervision agency responsible for supervising the institution.

Qualified investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Small businesses/small farms: A small business/farm is considered to be one in which gross annual revenues for the preceding calendar year were \$1 million or less.

Small loan(s) to business(es): That is, "small business loans" are included in "loans to small businesses" as defined in the Consolidated Reports of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are secured either by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

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

Underserved middle-income geography: A middle-income, nonmetropolitan geography will be designated as underserved if it meets criteria for population size, density, and dispersion that indicate the area's population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

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