

# **PUBLIC DISCLOSURE**

February 26, 2024

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

First State Bank  
RSSD # 603755  
2002 North Main Street  
Junction, Texas 76849

Federal Reserve Bank of Dallas  
2200 North Pearl Street  
Dallas, Texas 75201

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

**TABLE OF CONTENTS**

Institution’s Community Reinvestment Act Rating ..... 1

Scope of the Evaluation ..... 1

Description of the Institution..... 1

Description of Assessment Area ..... 2

Conclusions With Respect to Performance Criteria ..... 4

Fair Lending or Other Illegal Credit Practices Review ..... 7

Appendix A – Map of the Assessment Area ..... 8

Appendix B – Demographic Information ..... 9

Appendix C – Lending Tables..... 14

Appendix D – Glossary ..... 16

## INSTITUTION'S COMMUNITY REINVESTMENT ACT RATING

The Community Reinvestment Act (CRA) performance of First State Bank (FSB or the bank) is rated **Satisfactory**. This rating is based on the following conclusions with respect to the performance criteria:

- FSB's 16-quarter average net loan-to-deposit ratio (NLTD) is reasonable given the bank's asset size, financial condition, and credit needs of the assessment area (AA).
- A substantial majority of the bank's loans are originated inside the AA.
- A reasonable distribution of loans occurs throughout the bank's AA.
- Lending reflects a reasonable distribution among businesses of different sizes.
- Neither FSB nor the Federal Reserve Bank of Dallas (Reserve Bank) received any CRA-related complaints since the previous evaluation.

## SCOPE OF THE EVALUATION

Examiners utilized the Federal Financial Institutions Examination Council's (FFIEC's) *Interagency Examination Procedures for Small Institutions* to evaluate the bank's CRA performance. The evaluation considered performance context, including the bank's asset size, financial condition, business strategy, and market competition, as well as AA credit needs, demographic information, and economic characteristics. Examiners evaluated FSB's lending performance within Kimble County Nonmetropolitan AA and reviewed the following data:

- The bank's 16-quarter average NLTD ratio in comparison to the ratios of four similarly situated financial institutions;
- A statistically derived sample of 45 small business loans selected from a universe of 58 loans originated between January 1, 2019, through September 30, 2023; and
- Information provided from a community leader to ascertain the AA credit needs, the responsiveness of financial institutions in meeting such needs, and local economic conditions.

## DESCRIPTION OF THE INSTITUTION

FSB, a community bank headquartered in Junction, Texas, has the following characteristics:

- Kimble County Bancshares in Junction, Texas, wholly owns FSB.
- As of September 30, 2023, the bank has \$63.9 million in total assets.
- FSB operates a centrally located single branch, with a cash-only automated teller machine in Junction, Texas.
- As shown in the table below, the bank's primary business focus is commercial lending.

<b>Composition of Loan Portfolio as of September 30, 2023</b>		
<b>Loan Type</b>	<b>\$(000)</b>	<b>%</b>
Agricultural	3,952	16.2
Commercial	13,498	55.2
Consumer - Closed End	1,419	5.8
Consumer - Open End	0	0.0
Residential Real Estate	5,494	22.5
Other	82	0.3
<b>Gross Loans</b>	<b>24,445</b>	<b>100.0</b>
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>		

The Reserve Bank rated the bank’s CRA performance as **Satisfactory** at the previous evaluation, dated February 3, 2020. There are no known legal, financial, or other factors impeding the bank’s ability to help meet the credit needs in its communities.

### DESCRIPTION OF ASSESSMENT AREA

The Kimble County Nonmetropolitan AA consists of the entirety of Kimble County, a rural county located on the Edwards Plateau in south central Texas. Junction, Texas is the county seat for Kimble County. Refer to Appendix A for an AA map and Appendix B for additional demographic data.

- There have been no changes to the bank’s AA delineation since the previous evaluation.
- According to 2023 FFIEC data, the AA is comprised of one moderate- and one upper-census tracts. At the previous evaluation, the AA consisted of two middle-income census tracts, which were considered distressed.
- As of June 30, 2023, the bank ranked second of two federally insured institutions in the AA, holding \$62.1 million or 43.2 percent of the deposit market share.

<b>Population Change</b>			
<b>Assessment Area: Kimble County Nonmetropolitan AA</b>			
<b>Area</b>	<b>2015 Population</b>	<b>2020 Population</b>	<b>Percent Change</b>
Kimble County Nonmetropolitan AA	4,486	4,286	-4.5
NonMSA Texas	3,060,473	3,051,458	-0.3
Texas	26,538,614	29,145,505	9.8
<i>Source: 2020 U.S. Census Bureau Decennial Census 2011-2015 U.S. Census Bureau: American Community Survey</i>			

- While the population of the state of Texas increased by 9.8 percent between 2015 and 2020, the AA experienced a 4.5 percent population decline. The community contact indicated that this decline can be attributed to individuals between 25 and 64 years of age moving out of the AA in search of better job opportunities.
- The community contact also noted that the AA is experiencing a higher percentage of retirees moving into the county.

<b>Median Family Income Change</b>			
<b>Assessment Area: Kimble County Nonmetropolitan AA</b>			
<b>Area</b>	<b>2015 Median Family Income (\$)</b>	<b>2020 Median Family Income (\$)</b>	<b>Percent Change (%)</b>
Kimble County Nonmetropolitan AA	56,809	64,872	14.2
Texas	68,523	76,073	11.0
Source: 2011-2015 U.S. Census Bureau: American Community Survey 2016-2020 U.S. Census Bureau: American Community Survey			
Note: Median family incomes have been inflation-adjusted and are expressed in 2020 dollars.			

- According to 2020 American Community Survey data, the AA has 1,252 families, of which approximately 43.9 percent of these families are classified as low- to moderate-income (LMI). Additionally, 15.1 percent of the AA families live below the poverty level, which exceeds the rate for the state of Texas, at 10.9 percent.
- The community contact stated that over the period of 2020 through 2023, many businesses within the county increased wages given the difficulty to attract and retain employees.
- The majority of the jobs in the county consists of service jobs like restaurants, convenience stores, etc.

<b>Housing Cost Burden</b>						
<b>Assessment Area: Kimble County Nonmetropolitan AA</b>						
<b>Area</b>	<b>Cost Burden - Renters</b>			<b>Cost Burden - Owners</b>		
	<b>Low Income</b>	<b>Moderate Income</b>	<b>All Renters</b>	<b>Low Income</b>	<b>Moderate Income</b>	<b>All Owners</b>
Kimble County Nonmetropolitan AA	58.0	22.7	30.0	41.5	28.3	15.4
NonMSA Texas	64.9	33.9	36.1	48.4	19.9	15.9
Texas	78.3	44.6	42.7	57.3	31.0	19.0
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						

- The AA has 3,318 housing units, with a median age of 52 years. Of this housing units, 1,351 (40.7 percent) are vacant. Discussions with the community contact revealed that majority of those units are dilapidated and uninhabitable.
- Since the previous evaluation, the median housing value increased from \$85,400 to \$151,745 (77.7 percent). However, this is below the \$187,200 median housing value for the state of Texas.
- The AA housing affordability index, at 30.8 percent, indicates that housing in the AA is less affordable than housing in the state of Texas, at 34.1 percent.<sup>1</sup>
- The community contact mentioned that AA housing has become less affordable given limited rental or purchase options. The impact of COVID-19 also caused a small influx of individuals to move to the area, which also resulted in an increased demand for housing. The low affordability ratio within the AA is impacted by 41.0 percent of the households in the AA being LMI families and the increase of the median housing value.

<sup>1</sup> The housing affordability index has a value of 100 when the median-income family has sufficient income to purchase a median-priced existing home. A higher index number indicates that more households can afford to purchase a home.

<b>Unemployment Rates</b>					
<b>Assessment Area: Kimble County Nonmetropolitan AA</b>					
<b>Area</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Kimble County Nonmetropolitan AA	3.0	3.0	5.0	4.2	3.4
NonMSA Texas	4.1	3.7	7.3	6.0	4.3
Texas	3.9	3.5	7.7	5.6	3.9
<i>Source: Bureau of Labor Statistics: Local Area Unemployment Statistics</i>					

- The AA unemployment rates remained consistent between 2018 and 2019. A spike in the unemployment rate is noted in 2020 due to the impact of the COVID-19 pandemic. The unemployment rates decreased in 2021 and 2022, as the AA recovered from the pandemic.
- According to the Bureau of Labor Statistics, the AA economy’s largest industries, by number of employees, include the government (all industries), retail trade, and accommodation and food services. The local economy is also driven by outdoor recreational activities such as fishing, hunting, and camping.
- The community contact stated the major employers in the area include Junction Independent School District, The City of Junction, Kimble County, and the Kimble Hospital.

### **CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA**

FSB’s overall performance is Satisfactory. The bank’s 16-quarter average NLTD ratio reflects its efforts to lend. The bank extended a substantial majority of its loans within the delineated AA and its lending levels reflect good responsiveness to the AA’s credit needs. In addition, lending reflects a reasonable distribution among businesses of different sizes.

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

This performance criterion evaluates the bank’s 16-quarter average NLTD ratio to determine the reasonableness of lending in light of performance context, such as the bank’s capacity to lend, the availability of lending opportunities, the demographic and economic factors present in the AA, and the average NLTD ratios of four similarly situated institutions insured by the Federal Deposit Insurance Corporation. The similarly situated institutions were selected based on asset size, product offerings, and market share.

The bank’s average NLTD ratio is reasonable and within the range of average NLTD ratios of the similarly situated banks, which ranged from 21.2 percent to 69.7 percent, and compares favorably to its closest geographical competitor located in Junction, Texas, as shown in the table below. When compared to the previous evaluation, the bank’s average NLTD ratio decreased by 12.3 percent, as a result of an approximate 33.0 percent increase in deposits and several large loans that were paid off. The increase in deposits can be attributed to the impact of the COVID-19 pandemic, in which many financial institutions experienced deposit growth. Despite these factors, the bank’s NLTD ratio remains comparable to similarly situated banks and demonstrates the bank’s willingness to extend credit.

Comparative NLTD Ratios December 31, 2019 – September 30, 2023			
Institution	Location	Asset Size \$(000)	16-Quarter Average NLTD Ratio (%)
First State Bank	Junction, Texas	63,920	45.3
Similarly Situated Institutions			
Similar Banks	Junction, Texas	84,129	21.2
	Moody, Texas	56,205	48.8
	Stockdale, Texas	63,812	58.8
	Memphis, Texas	66,375	69.7

### Assessment Area Concentration

This performance criterion evaluates the percentage of lending extended inside and outside of the AA. As noted in the table below, the bank originated a substantial majority of loans inside its delineated AA. The bank originated 37 (82.3 percent) small business loans during the review period. The low level of lending could be attributed to the limited number of businesses in the AA, which is reported at 275 in 2023, and competition from larger institutions in neighboring counties. Overall, the bank’s efforts reflect favorably on its responsiveness to the credit needs of the AA.

Lending Inside and Outside the Assessment Area								
Loan Types	Inside				Outside			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Total Small Bussiness	37	82.2	2,921	63.2	8	17.8	1,699	36.8
TOTAL LOANS	37	82.2	2,921	63.2	8	17.8	1,699	36.8

### Geographic Distribution of Loans

This performance criterion evaluates the bank’s distribution of lending within its AA by income level of census tracts with consideration given to the dispersion of loans throughout the AA. The bank’s geographic distribution of loans reflects reasonable distribution among the different census tracts and dispersion throughout the AA.

#### *Small Business Lending*

The geographic distribution of small business lending is reasonable, demonstrating the bank’s responsiveness to the credit needs of businesses in the AA. The bank’s AA contains only two census tracts, one classified as moderate-income and the other as an upper-income tract. The majority of the city of Junction is included within the single moderate-income census tract, as reflected by the distribution of total businesses within the AA. In 2022 and 2023, 54.2 percent of businesses were located in the moderate-income census tract. The bank’s small business lending in the moderate-income census tract in both of those years exceeded the percentage of businesses domiciled in such tract. In the years not reflected in the table below, the bank’s lending performance exceeded the percentage of businesses located in the moderate-income tract, except in 2021. The community contact stated the AA challenges in attracting new businesses due to insufficient water supply in some areas. To remedy the situation and attract new residents and business to the AA, the city would be required to install new water lines. Despite the water supply issue, no conspicuous gaps were noted in the bank’s small business loan dispersion.

<b>Distribution of 2022 and 2023 Small Business Lending By Income Level of Geography</b>									
<b>Assessment Area: Kimble County Nonmetropolitan AA</b>									
<b>Geographic Income Level</b>	<b>Bank Loans By Year</b>								<b>Total Businesses %</b>
	<b>2022</b>				<b>2023</b>				
	<b>#</b>	<b>#%</b>	<b>\$(000)</b>	<b>\$%</b>	<b>#</b>	<b>#%</b>	<b>\$(000)</b>	<b>\$%</b>	
<b>Low</b>	0	0.0	0	0.0	0	0.0	0	0.0	0.0
<b>Moderate</b>	13	68.4	1,068	73.0	3	60.0	340	81.1	54.2
<b>Middle</b>	0	0.0	0	0.0	0	0.0	0	0.0	0.0
<b>Upper</b>	6	31.6	395	27.0	2	40.0	79	18.9	45.8
<b>Unknown</b>	0	0.0	0	0.0	0	0.0	0	0.0	0.0
<b>Total</b>	19	100.0	1,463	100.0	5	100.0	419	100.0	100.0

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

### Lending to Businesses of Different Sizes

This performance criterion evaluates the bank’s lending to businesses of different revenue sizes. The bank’s lending has a reasonable distribution among businesses of different sizes.

#### Small Business Lending

The borrower distribution of small business lending is reasonable. In 2022 and 2023, 91.3 percent of businesses in the AA reported annual revenues of \$1 million or less, indicating the availability of lending opportunities to small businesses in the AA. The percentage of the bank’s loans originated to small businesses during the review period is comparable to the demographic figure. In addition, considerable competition from large and regional financial institutions may limit the opportunities for the bank to lend within the AA. Moreover, approximately 84.2 percent of the reviewed loans were made in amounts of \$100,000 or less and approximately 63.0 percent were in amounts less than \$25,000, indicating the bank’s willingness to meet the credit needs of smaller businesses. Typically, smaller business operations do not have the need or the capacity to borrow large amounts. As such, small loan amounts are used as a proxy to estimate the support of small businesses.



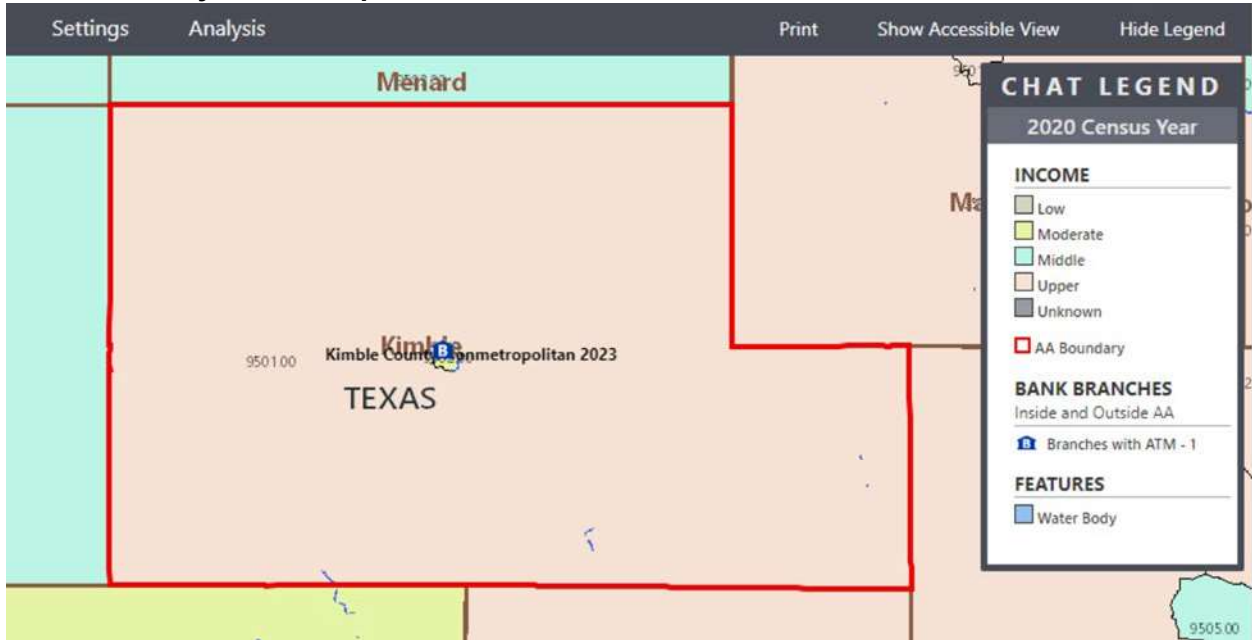
<b>Distribution of 2022 and 2023 Small Business Lending By Revenue Size of Businesses</b>										
<b>Assessment Area: Kimble County Nonmetropolitan</b>										
	<b>Bank Loans By Year</b>								<b>Total Businesses %</b>	
	<b>2022</b>				<b>2023</b>					
	<b>#</b>	<b>#%</b>	<b>\$(000)</b>	<b>\$%</b>	<b>#</b>	<b>#%</b>	<b>\$(000)</b>	<b>\$%</b>		
<b>By Revenue</b>										
<b>\$1 Million or Less</b>	14	73.7	931	63.6	5	100.0	419	100.0	93.1	
<b>Over \$1 Million</b>	2	10.5	375	25.6	0	0.0	0	0.0	5.8	
<b>Revenue Unknown</b>	3	15.8	157	10.7	0	0.0	0	0.0	1.1	
<b>Total</b>	19	100.0	1,463	100.0	5	100.0	419	100.0	100.0	
<b>By Loan Size</b>										
<b>\$100,000 or Less</b>	15	78.9	512	35.0	4	80.0	124	29.6		
<b>\$100,001 - \$250,000</b>	2	10.5	375	25.6	0	0.0	0	0.0		
<b>\$250,001 - \$1 Million</b>	2	10.5	576	39.4	1	20.0	295	70.4		
<b>Total</b>	19	100.0	1,463	100.0	5	100.0	419	100.0		
<b>By Loan Size and Revenues \$1 Million or Less</b>										
<b>\$100,000 or Less</b>	12	85.7	355	38.1	4	80.0	124	29.6		
<b>\$100,001 - \$250,000</b>	0	0.0	0	0.0	0	0.0	0	0.0		
<b>\$250,001 - \$1 Million</b>	2	14.3	576	61.9	1	20.0	295	70.4		
<b>Total</b>	14	100.0	931	100.0	5	100.0	419	100.0		
<i>Source: 2023 FFIEC Census Data 2023 Dun &amp; Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</i>										
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>										

**FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

Compliance with the substantive provisions of antidiscrimination and other consumer protection laws and regulations, including the Equal Credit Opportunity Act and the Fair Housing Act, was considered as part of this CRA evaluation. No evidence of a pattern or practice of discrimination on a prohibited basis or of other illegal credit practices inconsistent with helping to meet community credit needs was identified.

### APPENDIX A – MAP OF THE ASSESSMENT AREA

#### Kimble County Nonmetropolitan Assessment Area



**APPENDIX B – DEMOGRAPHIC INFORMATION**

**Table B-1**

2023 Kimble County Nonmetropolitan 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	277	22.1
Moderate	1	50.0	549	43.8	105	19.1	236	18.8
Middle	0	0.0	0	0.0	0	0.0	202	16.1
Upper	1	50.0	703	56.2	84	11.9	537	42.9
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>2</b>	<b>100.0</b>	<b>1,252</b>	<b>100.0</b>	<b>189</b>	<b>15.1</b>	<b>1,252</b>	<b>100.0</b>
	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	1,166	606	40.7	52.0	316	27.1	244	20.9
Middle	0	0	0.0	0.0	0	0.0	0	0.0
Upper	2,152	882	59.3	41.0	163	7.6	1,107	51.4
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>3,318</b>	<b>1,488</b>	<b>100.0</b>	<b>44.8</b>	<b>479</b>	<b>14.4</b>	<b>1,351</b>	<b>40.7</b>
	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	149	54.2	141	55.1	6	37.5	2	66.7
Middle	0	0.0	0	0.0	0	0.0	0	0.0
Upper	126	45.8	115	44.9	10	62.5	1	33.3
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>275</b>	<b>100.0</b>	<b>256</b>	<b>100.0</b>	<b>16</b>	<b>100.0</b>	<b>3</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				<b>93.1</b>		<b>5.8</b>		<b>1.1</b>
	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	7	17.9	7	17.9	0	0.0	0	0.0
Middle	0	0.0	0	0.0	0	0.0	0	0.0
Upper	32	82.1	32	82.1	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>39</b>	<b>100.0</b>	<b>39</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>
<b>Percentage of Total Farms:</b>				<b>100.0</b>		<b>0.0</b>		<b>0.0</b>
Source: 2023 FFIEC Census Data 2023 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

**Table B-2**

2022 Kimble County Nonmetropolitan 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	277	22.1
Moderate	1	50.0	549	43.8	105	19.1	236	18.8
Middle	0	0.0	0	0.0	0	0.0	202	16.1
Upper	1	50.0	703	56.2	84	11.9	537	42.9
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>2</b>	<b>100.0</b>	<b>1,252</b>	<b>100.0</b>	<b>189</b>	<b>15.1</b>	<b>1,252</b>	<b>100.0</b>
	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	1,166	606	40.7	52.0	316	27.1	244	20.9
Middle	0	0	0.0	0.0	0	0.0	0	0.0
Upper	2,152	882	59.3	41.0	163	7.6	1,107	51.4
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>3,318</b>	<b>1,488</b>	<b>100.0</b>	<b>44.8</b>	<b>479</b>	<b>14.4</b>	<b>1,351</b>	<b>40.7</b>
	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	149	54.2	141	55.1	6	37.5	2	66.7
Middle	0	0.0	0	0.0	0	0.0	0	0.0
Upper	126	45.8	115	44.9	10	62.5	1	33.3
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>275</b>	<b>100.0</b>	<b>256</b>	<b>100.0</b>	<b>16</b>	<b>100.0</b>	<b>3</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				<b>93.1</b>		<b>5.8</b>		<b>1.1</b>
	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	7	17.9	7	17.9	0	0.0	0	0.0
Middle	0	0.0	0	0.0	0	0.0	0	0.0
Upper	32	82.1	32	82.1	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>39</b>	<b>100.0</b>	<b>39</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>
<b>Percentage of Total Farms:</b>				<b>100.0</b>		<b>0.0</b>		<b>0.0</b>
<i>Source: 2022 FFIEC Census Data 2022 Dun &amp; Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.</i>								

**Table B-3**

2021 Kimble County Nonmetropolitan 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	279	21.3
Moderate	1	50.0	558	42.6	169	30.3	241	18.4
Middle	1	50.0	751	57.4	28	3.7	270	20.6
Upper	0	0.0	0	0.0	0	0.0	519	39.6
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>2</b>	<b>100.0</b>	<b>1,309</b>	<b>100.0</b>	<b>197</b>	<b>15.0</b>	<b>1,309</b>	<b>100.0</b>
	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	1,133	618	41.8	54.5	295	26.0	220	19.4
Middle	2,218	859	58.2	38.7	218	9.8	1,141	51.4
Upper	0	0	0.0	0.0	0	0.0	0	0.0
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>3,351</b>	<b>1,477</b>	<b>100.0</b>	<b>44.1</b>	<b>513</b>	<b>15.3</b>	<b>1,361</b>	<b>40.6</b>
	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	148	58.3	140	60.1	6	35.3	2	50.0
Middle	106	41.7	93	39.9	11	64.7	2	50.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>254</b>	<b>100.0</b>	<b>233</b>	<b>100.0</b>	<b>17</b>	<b>100.0</b>	<b>4</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>			<b>91.7</b>		<b>6.7</b>		<b>1.6</b>	
	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	7	21.2	7	21.2	0	0.0	0	0.0
Middle	26	78.8	26	78.8	0	0.0	0	0.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>33</b>	<b>100.0</b>	<b>33</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>
<b>Percentage of Total Farms:</b>			<b>100.0</b>		<b>0.0</b>		<b>0.0</b>	
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.								

**Table B-4**

2020 Kimble County Nonmetropolitan 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	279	21.3
Moderate	1	50.0	558	42.6	169	30.3	241	18.4
Middle	1	50.0	751	57.4	28	3.7	270	20.6
Upper	0	0.0	0	0.0	0	0.0	519	39.6
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>2</b>	<b>100.0</b>	<b>1,309</b>	<b>100.0</b>	<b>197</b>	<b>15.0</b>	<b>1,309</b>	<b>100.0</b>
	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	1,133	618	41.8	54.5	295	26.0	220	19.4
Middle	2,218	859	58.2	38.7	218	9.8	1,141	51.4
Upper	0	0	0.0	0.0	0	0.0	0	0.0
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>3,351</b>	<b>1,477</b>	<b>100.0</b>	<b>44.1</b>	<b>513</b>	<b>15.3</b>	<b>1,361</b>	<b>40.6</b>
	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	147	56.8	140	58.8	5	29.4	2	50.0
Middle	112	43.2	98	41.2	12	70.6	2	50.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>259</b>	<b>100.0</b>	<b>238</b>	<b>100.0</b>	<b>17</b>	<b>100.0</b>	<b>4</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				<b>91.9</b>		<b>6.6</b>		<b>1.5</b>
	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	8	25.8	8	25.8	0	0.0	0	0.0
Middle	23	74.2	23	74.2	0	0.0	0	0.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>31</b>	<b>100.0</b>	<b>31</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>
<b>Percentage of Total Farms:</b>				<b>100.0</b>		<b>0.0</b>		<b>0.0</b>

Source: 2020 FFIEC Census Data  
2020 Dun & Bradstreet Data  
2011-2015 U.S. Census Bureau: American Community Survey  
Note: Percentages may not total 100.0 percent due to rounding.

**Table B-5**

2019 Kimble County Nonmetropolitan 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	279	21.3
Moderate	1	50.0	558	42.6	169	30.3	241	18.4
Middle	1	50.0	751	57.4	28	3.7	270	20.6
Upper	0	0.0	0	0.0	0	0.0	519	39.6
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>2</b>	<b>100.0</b>	<b>1,309</b>	<b>100.0</b>	<b>197</b>	<b>15.0</b>	<b>1,309</b>	<b>100.0</b>
	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	1,133	618	41.8	54.5	295	26.0	220	19.4
Middle	2,218	859	58.2	38.7	218	9.8	1,141	51.4
Upper	0	0	0.0	0.0	0	0.0	0	0.0
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>3,351</b>	<b>1,477</b>	<b>100.0</b>	<b>44.1</b>	<b>513</b>	<b>15.3</b>	<b>1,361</b>	<b>40.6</b>
	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	145	58.5	138	60.5	5	29.4	2	66.7
Middle	103	41.5	90	39.5	12	70.6	1	33.3
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>248</b>	<b>100.0</b>	<b>228</b>	<b>100.0</b>	<b>17</b>	<b>100.0</b>	<b>3</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				<b>91.9</b>		<b>6.9</b>		<b>1.2</b>
	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	8	25.8	8	25.8	0	0.0	0	0.0
Middle	23	74.2	23	74.2	0	0.0	0	0.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>31</b>	<b>100.0</b>	<b>31</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>
<b>Percentage of Total Farms:</b>				<b>100.0</b>		<b>0.0</b>		<b>0.0</b>
Source: 2019 FFIEC Census Data 2019 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

**APPENDIX C – LENDING TABLES**

**Table C-1**

<b>Distribution of 2020 and 2021 Small Business Lending By Income Level of Geography Assessment Area: Kimble County Nonmetropolitan</b>									
<b>Geographic Income Level</b>	<b>Bank Loans By Year</b>								<b>Total Businesses %</b>
	<b>2020</b>				<b>2021</b>				
	<b>#</b>	<b>#%</b>	<b>\$(000)</b>	<b>\$%</b>	<b>#</b>	<b>#%</b>	<b>\$(000)</b>	<b>\$%</b>	
<b>Low</b>	0	0.0	0	0.0	0	0.0	0	0.0	0.0
<b>Moderate</b>	3	100.0	355	100.0	3	33.3	127	19.2	58.3
<b>Middle</b>	0	0.0	0	0.0	6	66.7	535	80.9	41.7
<b>Upper</b>	0	0.0	0	0.0	0	0.0	0	0.0	0.0
<b>Unknown</b>	0	0.0	0	0.0	0	0.0	0	0.0	0.0
<b>Total</b>	3	100.0	355	100.0	9	100.0	661	100.0	100.0

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

**Table C-2**

<b>Distribution of 2019 Small Business Lending By Income Level of Geography Assessment Area: Kimble County Nonmetropolitan</b>					
<b>Geographic Income Level</b>	<b>Bank Loans</b>				<b>Total Businesses %</b>
	<b>#</b>	<b>#%</b>	<b>\$(000)</b>	<b>\$%</b>	
<b>Low</b>	0	0.0	0	0.0	0.0
<b>Moderate</b>	1	100.0	24	100.0	58.5
<b>Middle</b>	0	0.0	0	0.0	41.5
<b>Upper</b>	0	0.0	0	0.0	0.0
<b>Unknown</b>	0	0.0	0	0.0	0.0
<b>Total</b>	1	100.0	24	100.0	100.0

Source: 2019 FFIEC Census Data  
2019 Dun & Bradstreet Data  
2011-2015 U.S. Census Bureau: American Community Survey  
Note: Percentages may not total 100.0 percent due to rounding.



**Table C-3**

Distribution of 2020 and 2021 Small Business Lending By Revenue Size of Businesses Assessment Area: Kimble County Nonmetropolitan									
	Bank Loans By Year								Total Businesses %
	2020				2021				
	#	#%	\$(000)	%	#	#%	\$(000)	%	
<b>By Revenue</b>									
<b>\$1 Million or Less</b>	3	100.0	355	100.0	7	77.8	461	69.7	91.7
<b>Over \$1 Million</b>	0	0.0	0	0.0	0	0.0	0	0.0	6.7
<b>Revenue Unknown</b>	0	0.0	0	0.0	2	22.2	200	30.3	1.6
<b>Total</b>	3	100.0	355	100.0	9	100.0	661	100.0	100.0
<b>By Loan Size</b>									
<b>\$100,000 or Less</b>	2	66.7	51	14.4	8	88.9	321	48.6	
<b>\$100,001 - \$250,000</b>	0	0.0	0	0.0	0	0.0	0	0.0	
<b>\$250,001 - \$1 Million</b>	1	33.3	304	85.6	1	11.1	340	51.4	
<b>Total</b>	3	100.0	355	100.0	9	100.0	661	100.0	
<b>By Loan Size and Revenue \$1 Million or Less</b>									
<b>\$100,000 or Less</b>	2	66.7	51	14.4	6	85.7	121	26.2	
<b>\$100,001 - \$250,000</b>	0	0.0	0	0.0	0	0.0	0	0.0	
<b>\$250,001 - \$1 Million</b>	1	33.3	304	85.6	1	14.3	340	73.8	
<b>Total</b>	3	100.0	355	100.0	7	100.0	461	100.0	
Source: 2021 FFIEC Census Data 2021 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.									

**Table C-4**

Distribution of 2019 Small Business Lending By Revenue Size of Businesses Assessment Area: Kimble County Nonmetropolitan					
	Bank Loans				Total Businesses %
	#	#%	\$(000)	%	
<b>By Revenue</b>					
<b>\$1 Million or Less</b>	1	100.0	24	100.0	91.9
<b>Over \$1 Million</b>	0	0.0	0	0.0	6.9
<b>Revenue Unknown</b>	0	0.0	0	0.0	1.2
<b>Total</b>	1	100.0	24	100.0	100.0
<b>By Loan Size</b>					
<b>\$100,000 or Less</b>	1	100.0	24	100.0	
<b>\$100,001 - \$250,000</b>	0	0.0	0	0.0	
<b>\$250,001 - \$1 Million</b>	0	0.0	0	0.0	
<b>Total</b>	1	100.0	24	100.0	
<b>By Loan Size and Revenues \$1 Million or Less</b>					
<b>\$100,000 or Less</b>	1	100.0	24	100.0	
<b>\$100,001 - \$250,000</b>	0	0.0	0	0.0	
<b>\$250,001 - \$1 Million</b>	0	0.0	0	0.0	
<b>Total</b>	1	100.0	24	100.0	
Source: 2019 FFIEC Census Data 2019 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.					

## APPENDIX D – 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.

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

**Community development:** Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies, designated disaster areas; or designated distressed or underserved nonmetropolitan middle-income 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, other secured consumer loans, and other unsecured consumer loans.

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include 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 is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity, and responsiveness).

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

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

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

loans for the purchase of manufactured homes and refinancings of home improvement and home purchase loans.

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

**Limited-scope review:** Performance is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

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

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

**Metropolitan area (MA):** A 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 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 area (NonMSA):** Any area that is not located within an MSA.

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

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

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

**Rated area:** A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area. For these institutions, no state ratings will be received unless the bank also maintains deposit facilities outside of the multistate metropolitan area. CRA activity is captured in either a state rating or a multistate metropolitan area rating, but not both.

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

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

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