



PUBLIC DISCLOSURE

July 27, 2020

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**CENTRAL BANK OF SEDALIA
RSSD# 611451**

**301 WEST BROADWAY
SEDALIA, MISSOURI 65301**

**Federal Reserve Bank of Kansas City
1 Memorial Drive
Kansas City, Missouri 64198**

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.

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INSTITUTION'S COMMUNITY REINVESTMENT ACT RATING

This institution is rated: **Satisfactory.**
The Lending Test is rated: **Satisfactory.**
The Community Development Test is rated: **Outstanding.**

Central Bank of Sedalia (the bank) is rated Satisfactory. This rating is based on the following conclusions with respect to the performance criteria under the Lending and Community Development (CD) Tests.

- The bank's net loan-to-deposit (NLTD) ratio is reasonable given the bank's size, financial condition, and assessment area (AA) credit needs.
- A majority of the bank's loans are originated in the AA.
- A reasonable distribution of loans occurs throughout the bank's AA.
- Lending reflects a reasonable penetration among individuals of different income levels, including low- and moderate-income (LMI), and businesses and farms of different sizes.
- Neither the bank nor the Federal Reserve Bank of Kansas City received any Community Reinvestment Act (CRA)-related complaints since the previous evaluation.
- CD activity reflects excellent responsiveness to CD needs of the bank's AA.

SCOPE OF EXAMINATION

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

- The bank's 13-quarter average NLTD ratio;
- The entire universe of 1,088 small business and 1,441 small farm loans originated from January 1, 2017 to December 31, 2019. The lending analysis also included a statistical sample of 172 motor vehicle-secured loans selected from a universe of 1,146 loans originated between January 1, 2019 and December 31, 2019.
- CD loans, qualified investments, and CD services from January 1, 2017 to December 31, 2019.

More weight was placed on small business loans in this analysis due to the bank's strategic focus on commercial lending. While conclusions with respect to the bank's small business and small farm lending performance were based on multiple years of data, only 2018 lending tables are reflected in the body of this report. The bank's 2017 and 2019 small business and small farm lending data can be referenced in the lending tables within Appendix B of this report.

DESCRIPTION OF INSTITUTION

The bank is a community bank headquartered in Sedalia, Missouri. The bank’s characteristics include:

- The bank is a wholly owned subsidiary of Third Bancshares Corporation, Sedalia, Missouri, a middle-tier bank holding company that is wholly owned by Central Bancompany, Inc., Jefferson City, Missouri. The bank is one of thirteen affiliate banks owned by Central Bancompany, Inc.
- The bank had total assets of \$429 million as of December 31, 2019.
- The bank operates one full- and four limited-service locations in Sedalia, Missouri.
- The bank has seven cash-only automated teller machines (ATMs) located in Sedalia, Missouri. As an alternative delivery system, bank customers also may use affiliate bank lobbies and ATMs.
- The bank’s primary business focus is commercial lending.

Loan Type	\$(000)	%
Commercial	109,077	36.5
Consumer	69,621	23.3
Agricultural	67,131	22.5
Residential Real Estate	48,059	16.1
Other	4,716	1.6
Gross Loans	298,604	100.0

Note: Percentages may not total 100.0 percent due to rounding.

The bank was rated Satisfactory under the CRA at its February 13, 2017 performance evaluation. 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 bank’s Pettis County AA is comprised of Pettis County, Missouri, in its entirety (see Appendix A for an AA map).

- The AA is comprised of one low-, one moderate-, eight middle-, and one upper-income census tract. Census tract levels have not changed since 2017.
- According to the June 30, 2019 Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report, the bank had a deposit market share of 44.7 percent in Pettis County, which ranked first out of eight FDIC-insured institutions operating in the AA.
- One previously conducted community contact was referenced to help augment the CRA performance evaluation by providing additional insight into the credit and CD

needs of the communities, the responsiveness of area banks in meeting those needs, and the local economic conditions. The representative was from a local agricultural organization within the bank's AA.

TABLE 2 POPULATION CHANGE			
Area	2010 Population	2015 Population	Percent Change
Pettis County	42,201	42,215	0.0
State of Missouri	5,988,927	6,045,448	0.9

*Source: 2010 U.S. Census Bureau Decennial Census
2011-2015 U.S. Census Bureau: American Community Survey*

- The city of Sedalia is the county seat of Pettis County, and with a population of 21,568, represents a majority (51.1 percent) of the AA's total population.

TABLE 3 MEDIAN FAMILY INCOME CHANGE			
Area	2010 Median Family Income	2015 Median Family Income	Percent Change
Pettis County	49,389	50,183	1.6
State of Missouri	57,661	60,809	5.5

*Source: 2006-2010 U.S. Census Bureau: American Community Survey
2011-2015 U.S. Census Bureau: American Community Survey*

- According to the 2015 American Community Survey, the AA's composition of LMI households, families, and poverty levels are comparable to the statewide levels.
- A community contact indicated that Pettis County's stagnant median family income can be attributed to the local economy being heavily influenced by agricultural conditions. Additionally, new job opportunities are limited primarily to the manufacturing industry and retail trades.

TABLE 4 HOUSING COSTS CHANGE						
Area	Median Housing Value		Percent Change	Median Gross Rent		Percent Change
	2010	2015		2010	2015	
Pettis County	93,200	101,400	8.8	581	682	17.4
State of Missouri	137,700	138,400	0.5	667	746	11.8

*Source: 2006-2010 U.S. Census Bureau: American Community Survey
2011-2015 U.S. Census Bureau: American Community Survey*

- The affordability ratio⁴ in the AA, at 39.4 percent, is comparable to the figure for other statewide rural areas at 38.0 percent, but more favorable than the state of Missouri at

⁴ The housing affordability ratio is calculated by dividing the median household income by the median housing value. A lower ratio reflects less affordable housing.

34.8 percent.

- The majority of housing units in the AA are owner-occupied at 60.3 percent, compared to 28.4 percent for rental units.
- The median age of the housing stock in the AA is 45 years, which exceeds both the other statewide rural areas and the state of Missouri at 38 years and 40 years, respectively.
- Increased employment opportunities in the manufacturing and retail sectors within the AA since the previous evaluation have increased the demand for housing, resulting in rising housing values and gross rents.

TABLE 5 UNEMPLOYMENT RATES					
Region	2014	2015	2016	2017	2018
Pettis County	6.1	5.2	4.9	4.2	4.1
State of Missouri	6.1	5.0	4.5	3.8	3.2

Source: Bureau of Labor Statistics: Local Area Unemployment Statistics

- Primary industries in Pettis County include farming, construction, food services, federal/military, and retail trade.
- Pettis County is considered the regional retail hub for the West Central Region of Missouri, which is comprised of 13 surrounding counties.
- Additionally, the area boasts over 70 manufacturing and industrial-related businesses, with manufacturing representing approximately 28 percent of all jobs in Sedalia and Pettis County.
- The area's largest employers include Tyson Foods (manufacturing), Bothwell Regional Health Center (medical), State Fair Community College (education), Waterloo Industries (manufacturing), and NUCOR (manufacturing).

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

Net Loan-to-Deposit Ratio

This performance criterion evaluates the bank's 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 in comparison to similarly situated FDIC-insured institutions. The similarly situated institutions were selected based on asset size, product offerings, market share, and location. Overall, the bank's NLTD ratio is reasonable as it is within the range of NLTD ratios of other similarly situated institutions.

TABLE 6 COMPARATIVE NLTD RATIOS			
Institution	Location	Asset Size (\$000s)	NLTD Ratio (%)
			13 Quarter Average
Central Bank of Sedalia	Sedalia, Missouri	429,034	83.2
Bank of Versailles	Versailles, Missouri	263,733	103.7
Wood & Hutson Bank	Marshall, Missouri	767,851	90.8
Bank of Odessa	Odessa, Missouri	273,498	94.3
Central Bank of Warrensburg	Warrensburg, Missouri	256,850	67.0

Assessment Area Concentration

This performance criterion evaluates the percentage of lending extended inside and outside of the AA. Overall, a majority of the bank’s loans, by number and dollar, are originated inside the AA. However, due to the bank’s indirect lending relationships with approximately 60 automobile dealers located throughout central Missouri, including several outside of the bank’s delineated AA, a substantial number of motor vehicle-secured loans were originated outside the AA.

TABLE 7 LENDING INSIDE AND OUTSIDE THE AA								
Loan Type	Inside				Outside			
	#	\$(000)	#%	\$%	#	\$(000)	#%	\$%
Motor Vehicle-Secured Loans	51	825	29.7	27.0	121	2,230	70.3	73.0
Small Business Loans	887	81,796	81.5	77.8	201	23,283	18.5	22.2
Small Farm Loans	908	58,387	63.0	63.9	533	32,943	37.0	36.1
Total Loans	1,846	141,008	68.3	70.7	855	58,456	31.7	29.3

Note: Percentages may not add to 100.0 percent due to rounding.

Geographic Distribution of Loans

This performance criterion evaluates the bank’s distribution of lending within its AA by income level of census tracts. The bank’s overall geographic distribution of loans reflects reasonable distribution throughout the AA. Additionally, the dispersion analysis did not identify any census tracts within the AA where no lending had occurred.

Small Business Lending

The geographic distribution of small business lending is reasonable. Lending performance in LMI census tracts is comparable to the demographic figure and aggregate data by both number and dollar volume. The distribution of small business lending in 2017 and 2019 was comparable to 2018 performance, with similar lending in LMI census tracts. In addition, an evaluation of the bank’s dispersion of small business lending revealed no significant gaps or lapses throughout the AA.

Small Farm Lending

The geographic distribution of small farm lending is reasonable. Despite the bank only originating two small farm loans within the AA's LMI census tracts, lending performance is comparable to the demographic figure and aggregate data by both number and dollar volume. Furthermore, the 2018 Dun & Bradstreet data indicates there were limited opportunities to originate loans in those tracts, as only one farm was located in the AA's moderate-income census tract, while no farms were located in the AA's low-income census tract. The distribution of small farm lending in 2017 and 2019 was comparable to 2018 performance, with similar lending in LMI census tracts. In addition, an evaluation of the bank's dispersion of small farm lending revealed no significant gaps or lapses throughout the AA.

TABLE 8 DISTRIBUTION OF 2018 SMALL BUSINESS AND SMALL FARM LENDING BY INCOME LEVEL OF GEOGRAPHY							
Census Tract Income Level	Bank Small Business Loans				Aggregate CRA Data		% of Businesses
	#	\$(000)	#%	\$%	#%	\$%	
Low	10	956	3.3	3.3	4.4	3.9	3.4
Moderate	31	2,820	10.3	9.9	12.4	13.9	13.2
Middle	224	21,182	74.2	74.1	66.0	70.1	69.4
Upper	37	3,612	12.3	12.6	16.0	11.9	14.0
Unknown	0	0	0.0	0.0	0.0	0.0	0.0
Not Reported	0	0	0.0	0.0	1.2	0.3	0.0
Census Tract Income Level	Bank Small Farm Loans				Aggregate CRA Data		% of Farms
	#	\$(000)	#%	\$%	#%	\$%	
Low	1	70	0.3	0.3	0.7	2.2	0.0
Moderate	1	150	0.3	0.7	0.0	0.0	0.6
Middle	208	12,973	68.0	64.7	71.5	52.1	71.8
Upper	96	6,864	31.4	34.2	27.7	45.7	27.6
Unknown	0	0	0.0	0.0	0.0	0.0	0.0
Not Reported	0	0	0.0	0.0	0.0	0.0	0.0

Source: 2018 FFIEC Census Data
2018 Dun & Bradstreet Data
2011 – 2015 U.S. Census Bureau: American Community Survey
NOTE: Percentages may not add up to 100.0 percent due to rounding.

Motor Vehicle-Secured Lending

The geographic distribution of motor vehicle-secured lending is reasonable. While lending performance within the bank's low-income census tract is comparable to the demographic figure by both number and dollar volume, lending within the bank's moderate-income census tract is below the demographic figure by both number and dollar volume. An evaluation of the dispersion of motor vehicle-secured lending revealed no significant gaps or lapses throughout the AA.

**TABLE 9
DISTRIBUTION OF 2019 MOTOR VEHICLE-SECURED LENDING
BY INCOME LEVEL OF GEOGRAPHY**

Census Tract Income Level	Bank Loans				% of Households
	#	\$(000)	#%	\$%	
Low	2	41	3.9	5.0	4.6
Moderate	1	6	2.0	0.7	6.4
Middle	37	608	72.5	73.7	76.0
Upper	11	170	21.6	20.6	13.0
Unknown	0	0	0.0	0.0	0.0
Not Reported	0	0	0.0	0.0	0.0

Source: 2019 FFIEC Census Data
2011 – 2015 U.S. Census Bureau: American Community Survey
NOTE: Percentages may not add up to 100.0 percent due to rounding.

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

This performance criterion evaluates the bank’s distribution of lending to borrowers of different income levels and to businesses and farms of different revenue sizes. Overall, the bank’s lending has a reasonable penetration among individuals of different income levels and businesses and farms of different sizes.

Small Business Lending

The borrower distribution of small business lending is reasonable. As noted in Table 10 below, the bank’s lending to businesses with gross annual revenues of \$1 million or less was below the demographic figure by both number and dollar volume. However, while the bank’s lending performance is below the demographic figure, the bank’s lending to small businesses outperforms aggregate CRA lending data by number and is comparable by dollar volume. Aggregate lending levels are used to gauge the overall demand for credit from small businesses within the AA. The bank’s 2017 lending performance to small businesses was below that of 2018, but the bank’s 2019 lending performance exceeded 2018.

Small Farm Lending

The borrower distribution of small farm lending is reasonable. Lending to small farms with gross annual revenues of \$1 million or less is below the demographic figure by both number and dollar volume. However, similar to the bank’s small business lending performance, the bank’s lending to small farms exceeds aggregate CRA lending data. The bank’s lending significantly outperformed aggregate lenders by both number and dollar volume. The bank’s 2017 lending performance was below that of 2018, but the bank’s 2019 lending performance was comparable to 2018.

TABLE 10 DISTRIBUTION OF 2018 SMALL BUSINESS AND SMALL FARM LENDING BY REVENUE SIZE OF BUSINESSES AND FARMS							
Business Revenue By Size	Bank Small Business Loans				Aggregate CRA Data		% of Businesses by Revenue
	#	\$(000)	#%	\$%	#%	\$%	
\$1 Million or Less	192	13,628	63.6	47.7	51.5	44.5	89.3
Over \$1 Million	110	14,942	36.4	52.3	Not Reported		9.5
Unknown	0	0	0.0	0.0			1.2
Farm Revenue By Size	Bank Small Farm Loans				Aggregate CRA Data		% of Farms by Revenue
	#	\$(000)	#%	\$%	#%	\$%	
\$1 Million or Less	288	17,194	94.1	85.7	58.4	73.3	100.0
Over \$1 Million	18	2,863	5.9	14.3	Not Reported		0.0
Unknown	0	0	0.0	0.0			0.0

Source: 2018 FFIEC Census Data
2018 Dun & Bradstreet Data
2011 – 2015 U.S. Census Bureau: American Community Survey
NOTE: Percentages may not add up to 100.0 percent due to rounding.

Motor Vehicle-Secured Lending

The borrower distribution of motor vehicle-secured lending is poor. The bank’s poor lending performance is attributed to the volume of lending to low-income borrowers, by number and dollar volume, being considerably below the percentage of low-income households in the AA. However, the bank’s lending to moderate-income borrowers is comparable to the demographic figure.

TABLE 11 DISTRIBUTION OF 2019 MOTOR VEHICLE-SECURED LENDING BY BORROWER INCOME LEVEL					
Borrower Income Level	Bank Loans				% of Households
	#	\$(000)	#%	\$%	
Low	1	17	2.0	2.1	20.9
Moderate	9	118	17.6	14.3	17.5
Middle	14	156	27.5	18.9	18.4
Upper	26	533	51.0	64.6	43.2
Unknown	1	1	2.0	0.1	0.0

Source: 2019 FFIEC Census Data
2011 - 2015 U.S. Census Bureau: American Community Survey
NOTE: Percentages may not add up to 100.0 percent due to rounding.

COMMUNITY DEVELOPMENT TEST

The CD test evaluates the bank’s responsiveness to CD needs of its AA through CD loans, qualified investments, and CD services, considering the bank’s capacity and the need and availability of such opportunities in the bank’s AA. The bank’s CD performance demonstrates

excellent responsiveness. Table 12 below shows the number and dollar amount of the bank's CD activities that have benefitted the AA since the previous CRA evaluation conducted on February 13, 2017.

The bank originated 67 CD loans totaling \$8.3 million. As detailed above, the bank's AA is currently faced with stagnant wages and a lack of new housing stock, creating a need for affordable housing. Of those 67 CD loans, the bank originated 65 loans, totaling \$6.9 million, for the purchase or refinance of rental properties that were deemed affordable housing. In addition, another loan for \$1.4 million was originated to purchase a long-term care facility where a majority of the residents rely on Medicaid assistance.

Qualified investments made in the AA totaled \$3.1 million; however, the amount was comprised entirely of investments made prior to the bank's previous CRA evaluation. The bank's qualified investments include municipal bonds issued by qualifying school districts, and one investment in a mortgage-backed security pool secured by affordable housing in the AA. The bank also made 23 donations, totaling \$23 thousand, to 7 separate organizations providing a variety of community services to LMI individuals and families or in LMI geographies within the AA. The bank made no new CD investments during the current evaluation period. However, further review noted limited opportunities within the bank's AA. Information from a national securities database revealed there were only three municipal bond investments available since the bank's prior CRA evaluation. Based on competition for these investments from other area financial institutions, as well as private investors, the bank's investment performance is reasonable. When combined with the bank's CD lending, the bank's overall CD performance is outstanding.

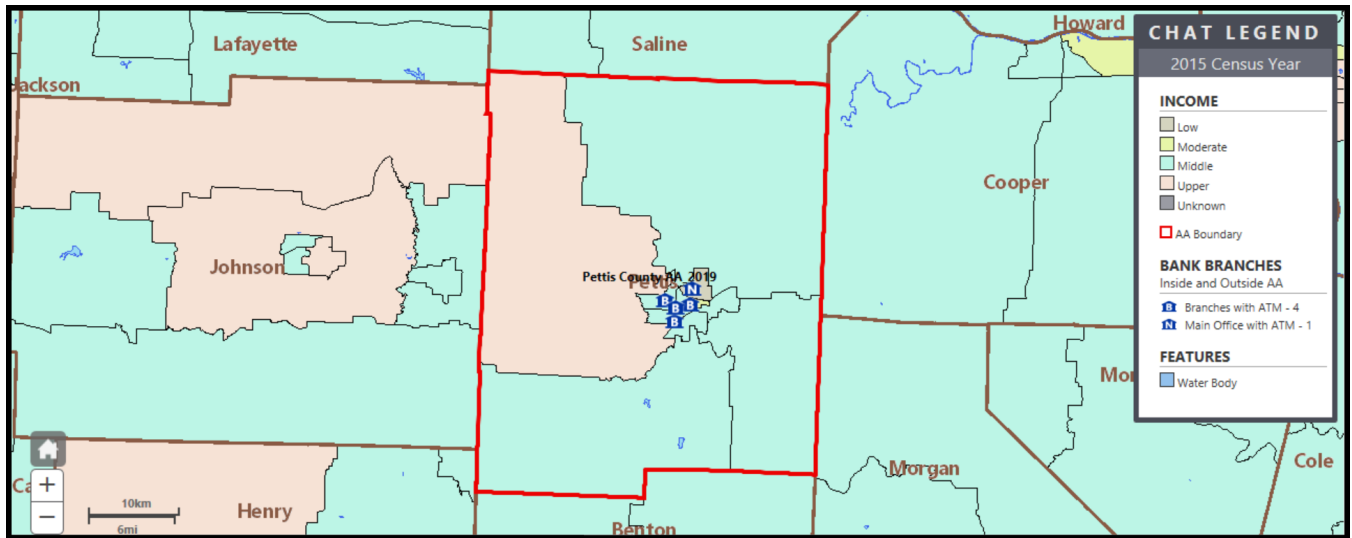
Lastly, bank officers and employees contributed to a total of 21 CD services, totaling 876 hours, to 9 different organizations operating in the AA.

TABLE 12 COMMUNITY DEVELOPMENT ACTIVITIES									
Community Development Purpose	Community Development Loans		Qualified Investments						Community Development Services
			Investments		Donations		Total Investments		
	#	\$(000)	#	\$(000)	#	\$(000)	#	\$(000)	#
Affordable Housing	65	6,932	1	104	1	1	2	105	8
Community Services	1	1,380	9	2,987	22	22	31	3,009	7
Economic Development	0	0	0	0	0	0	0	0	4
Revitalization and Stabilization	1	15	0	0	0	0	0	0	2
Neighborhood Stabilization Plan	0	0	0	0	0	0	0	0	0
Totals	67	8,327	10	3,091	23	23	33	3,114	21

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

An evaluation of the bank's fair lending activities was conducted during the examination to determine compliance with the substantive provisions of anti-discrimination laws and regulations, including the Equal Credit Opportunity Act and the Fair Housing Act. No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

APPENDIX A – MAP OF THE ASSESSMENT AREA



APPENDIX B – DEMOGRAPHIC INFORMATION AND LENDING TABLES

TABLE B-1 2019 PETTIS COUNTY AA DEMOGRAPHICS								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	1	9.1	494	4.5	204	41.3	2,069	19.0
Moderate	1	9.1	660	6.1	146	22.1	1,911	17.5
Middle	8	72.7	8,054	73.9	943	11.7	2,378	21.8
Upper	1	9.1	1,684	15.5	108	6.4	4,534	41.6
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	11	100.0	10,892	100.0	1,401	12.9	10,892	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	982	402	3.7	40.9	341	34.7	239	24.3
Moderate	1,316	401	3.7	30.5	630	47.9	285	21.7
Middle	13,548	8,409	76.6	62.1	3,846	28.4	1,293	9.5
Upper	2,357	1,759	16.0	74.6	343	14.6	255	10.8
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	18,203	10,971	100.0	60.3	5,160	28.3	2,072	11.4
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low	57	3.5	45	3.1	12	7.7	0	0.0
Moderate	218	13.5	198	13.7	18	11.6	2	12.5
Middle	1,110	68.8	989	68.5	110	71.0	11	68.8
Upper	229	14.2	211	14.6	15	9.7	3	18.8
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	1,614	100.0	1,443	100.0	155	100.0	16	100.0
Percentage of Total Businesses:				89.4		9.6		1.0
	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	1	0.7	1	0.7	0	0.0	0	0.0
Middle	109	73.2	109	73.2	0	0.0	0	0.0
Upper	39	26.2	39	26.2	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	149	100.0	149	100.0	0	0.0	0	0.0
Percentage of Total Farms:				100.0		0.0		0.0
Source: 2019 FFIEC Census Data 2019 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey NOTE: Percentages may not add up to 100.0 percent due to rounding.								

**TABLE B-2
DISTRIBUTION OF 2019 SMALL BUSINESS AND SMALL FARM LENDING
BY INCOME LEVEL OF GEOGRAPHY**

Census Tract Income Level	Bank Small Business Loans				Aggregate CRA Data		% of Businesses
	#	\$(000)	#%	\$%	#%	\$%	
Low	7	184	2.7	0.7			3.5
Moderate	32	2,596	12.2	9.6			13.5
Middle	173	20,568	66.0	76.1			68.8
Upper	50	3,671	19.1	13.6			14.2
Unknown	0	0	0.0	0.0			0.0
Not Reported	0	0	0.0	0.0			0.0
Census Tract Income Level	Bank Small Farm Loans				Aggregate CRA Data		% of Farms
	#	\$(000)	#%	\$%	#%	\$%	
Low	1	70	0.4	0.3			0.0
Moderate	1	150	0.4	0.7			0.7
Middle	190	12,387	68.1	61.5			73.2
Upper	87	7,539	31.2	37.4			26.2
Unknown	0	0	0.0	0.0			0.0
Not Reported	0	0	0.0	0.0			0.0

Source: 2019 FFIEC Census Data
2019 Dun & Bradstreet Data
2011 – 2015 U.S. Census Bureau: American Community Survey
NOTE: Percentages may not add up to 100.0 percent due to rounding.

**TABLE B-3
DISTRIBUTION OF 2019 SMALL BUSINESS AND SMALL FARM LENDING
BY REVENUE SIZE OF BUSINESSES AND FARMS**

Business Revenue By Size	Bank Small Business Loans				Aggregate CRA Data		% of Businesses by Revenue
	#	\$(000)	#%	\$%	#%	\$%	
\$1 Million or Less	189	13,014	72.1	48.2	0.0	0.0	89.4
Over \$1 Million	73	14,005	27.9	51.8	Not Reported		9.6
Unknown	0	0	0.0	0.0	Not Reported		1.0
Farm Revenue By Size	Bank Small Farm Loans				Aggregate CRA Data		% of Farms by Revenue
	#	\$(000)	#%	\$%	#%	\$%	
\$1 Million or Less	263	16,660	94.3	82.7	0.0	0.0	100.0
Over \$1 Million	16	3,486	5.7	17.3	Not Reported		0.0
Unknown	0	0	0.0	0.0	Not Reported		0.0

Source: 2019 FFIEC Census Data
2019 Dun & Bradstreet Data
2011 – 2015 U.S. Census Bureau: American Community Survey
NOTE: Percentages may not add up to 100.0 percent due to rounding.

**TABLE B-4
2018 PETTIS COUNTY AA DEMOGRAPHICS**

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	1	9.1	494	4.5	204	41.3	2,084	19.1
Moderate	1	9.1	660	6.1	146	22.1	1,919	17.6
Middle	8	72.7	8,054	73.9	943	11.7	2,385	21.9
Upper	1	9.1	1,684	15.5	108	6.4	4,504	41.4
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	11	100.0	10,892	100.0	1,401	12.9	10,892	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	982	402	3.7	40.9	341	34.7	239	24.3
Moderate	1,316	401	3.7	30.5	630	47.9	285	21.7
Middle	13,548	8,409	76.6	62.1	3,846	28.4	1,293	9.5
Upper	2,357	1,759	16.0	74.6	343	14.6	255	10.8
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	18,203	10,971	100.0	60.3	5,160	28.3	2,072	11.4
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	56	3.4	43	2.9	12	7.7	1	5.3
Moderate	216	13.2	196	13.4	18	11.5	2	10.5
Middle	1,134	69.4	1,012	69.3	110	70.5	12	63.2
Upper	229	14.0	209	14.3	16	10.3	4	21.1
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	1,635	100.0	1,460	100.0	156	100.0	19	100.0
Percentage of Total Businesses:			89.3		9.5		1.2	
	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	1	0.6	1	0.6	0	0.0	0	0.0
Middle	117	71.8	117	71.8	0	0.0	0	0.0
Upper	45	27.6	45	27.6	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	163	100.0	163	100.0	0	0.0	0	0.0
Percentage of Total Farms:			100.0		0.0		0.0	

Source: 2018 FFIEC Census Data
2018 Dun & Bradstreet Data
2011-2015 U.S. Census Bureau: American Community Survey
NOTE: Percentages may not add up to 100.0 percent due to rounding.

**TABLE B-5
2017 PETTIS COUNTY AA DEMOGRAPHICS**

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	1	9.1	494	4.5	204	41.3	2,084	19.1
Moderate	1	9.1	660	6.1	146	22.1	1,919	17.6
Middle	8	72.7	8,054	73.9	943	11.7	2,385	21.9
Upper	1	9.1	1,684	15.5	108	6.4	4,504	41.4
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	11	100.0	10,892	100.0	1,401	12.9	10,892	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	982	402	3.7	40.9	341	34.7	239	24.3
Moderate	1,316	401	3.7	30.5	630	47.9	285	21.7
Middle	13,548	8,409	76.6	62.1	3,846	28.4	1,293	9.5
Upper	2,357	1,759	16.0	74.6	343	14.6	255	10.8
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	18,203	10,971	100.0	60.3	5,160	28.3	2,072	11.4
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	44	3.2	33	2.7	11	7.2	0	0.0
Moderate	220	16.0	195	16.2	23	15.1	2	15.4
Middle	936	68.3	823	68.2	105	69.1	8	61.5
Upper	171	12.5	155	12.9	13	8.6	3	23.1
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	1,371	100.0	1,206	100.0	152	100.0	13	100.0
Percentage of Total Businesses:			88.0		11.1		0.9	
	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	1	0.6	1	0.6	0	0.0	0	0.0
Middle	113	72.9	113	72.9	0	0.0	0	0.0
Upper	41	26.5	41	26.5	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	155	100.0	155	100.0	0	0.0	0	0.0
Percentage of Total Farms:			100.0		0.0		0.0	

Source: 2017 FFIEC Census Data
2017 Dun & Bradstreet Data
2011-2015 U.S. Census Bureau: American Community Survey
NOTE: Percentages may not add up to 100.0 percent due to rounding.

**TABLE B-6
DISTRIBUTION OF 2017 SMALL BUSINESS AND SMALL FARM LENDING
BY INCOME LEVEL OF GEOGRAPHY**

Census Tract Income Level	Bank Small Business Loans				Aggregate CRA Data		% of Businesses
	#	\$(000)	#%	\$%	#%	\$%	
Low	11	1,060	3.4	4.0	4.0	6.9	3.2
Moderate	33	2,517	10.2	9.6	10.3	15.6	16.0
Middle	238	19,438	73.7	74.2	65.9	59.9	68.3
Upper	41	3,192	12.7	12.2	18.4	17.3	12.5
Unknown	0	0	0.0	0.0	0.0	0.0	0.0
Not Reported	0	0	0.0	0.0	1.4	0.3	0.0
Census Tract Income Level	Bank Small Farm Loans				Aggregate CRA Data		% of Farms
	#	\$(000)	#%	\$%	#%	\$%	
Low	3	83	0.9	0.5	0.0	0.0	0.0
Moderate	2	162	0.6	0.9	0.0	0.0	0.6
Middle	227	12,037	70.3	66.2	67.1	50.8	72.9
Upper	91	5,902	28.2	32.5	32.9	49.2	26.5
Unknown	0	0	0.0	0.0	0.0	0.0	0.0
Not Reported	0	0	0.0	0.0	0.0	0.0	0.0

Source: 2017 FFIEC Census Data
2017 Dun & Bradstreet Data
2011 – 2015 U.S. Census Bureau: American Community Survey
NOTE: Percentages may not add up to 100.0 percent due to rounding.

**TABLE B-7
DISTRIBUTION OF 2017 SMALL BUSINESS AND SMALL FARM LENDING
BY REVENUE SIZE OF BUSINESSES AND FARMS**

Business Revenue By Size	Bank Small Business Loans				Aggregate CRA Data		% of Businesses by Revenue
	#	\$(000)	#%	\$%	#%	\$%	
\$1 Million or Less	153	11,133	47.4	42.5	48.7	38.1	88.0
Over \$1 Million	146	13,942	45.2	53.2	Not Reported		11.1
Unknown	24	1,132	7.4	4.3	Not Reported		0.9
Farm Revenue By Size	Bank Small Farm Loans				Aggregate CRA Data		% of Farms by Revenue
	#	\$(000)	#%	\$%	#%	\$%	
\$1 Million or Less	282	14,696	87.3	80.8	65.8T	89.4	100.0
Over \$1 Million	21	2,836	6.5	15.6	Not Reported		0.0
Unknown	20	652	6.2	3.6	Not Reported		0.0

Source: 2017 FFIEC Census Data
2017 Dun & Bradstreet Data
2011 – 2015 U.S. Census Bureau: American Community Survey
NOTE: Percentages may not add up to 100.0 percent due to rounding.

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.

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, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include 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 (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 under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

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

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

Metropolitan area (MA): A 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.

Other products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such

activity include consumer loans and other loan data an institution may provide concerning its lending performance.

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

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

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

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

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

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