



## **PUBLIC DISCLOSURE**

**October 21, 2024**

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**Coastal States Bank**

**Hilton Head Island, South Carolina**

**Federal Reserve Bank of Richmond  
Richmond, Virginia**

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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3274709

P.O. Box 4800

Hilton Head Island, SC 29938

**Federal Reserve Bank of Richmond**

**P. O. Box 27622**

**Richmond, Virginia 23261**

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## COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**INSTITUTION'S CRA RATING: This institution is rated: Satisfactory**

**The Lending Test is rated: Satisfactory**

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

The major factors supporting this rating include:

- The bank's loan-to-deposit ratio is considered reasonable given the bank's size, financial condition, and lending capacity.
- A majority of the number of the institution's reported Home Mortgage Disclosure Act (HMDA) and small business loans were originated within the bank's assessment areas; however, the percentage by dollar volume was less than a majority.
- The bank's borrower distribution performance is considered reasonable overall for the institution and for the States of South Carolina and Georgia.
- The bank's geographic distribution performance varied from poor to excellent by state and is considered reasonable overall for the institution.
- The bank's responsiveness to the community development needs of its assessment areas through community development loans, investments, donations, and services is considered adequate for the States of South Carolina and Georgia.
- The institution has not received any complaints regarding its Community Reinvestment Act (CRA) performance or activities since the previous evaluation.

### **SCOPE OF EXAMINATION**

Coastal States Bank (CSB) was evaluated using the interagency examination procedures for intermediate-small institutions developed by the Federal Financial Institutions Examination Council (FFIEC). All HMDA loans reported in 2023, as well as all non-reported small business loans originated during 2022 and reported CRA small business loans in 2023 were included in the evaluation. CSB was not required to report HMDA data during 2022, and HMDA loan volume in 2023 was deemed too limited to analyze borrower and geographic distribution within specific assessment areas.

All qualified community development loans and services were considered since the previous evaluation (June 28, 2022). All qualified investments made during this same period and those outstanding as of the date of this evaluation were also considered. To help determine the availability of community development opportunities in specific assessment areas, the CRA public evaluations of other financial institutions operating in these areas were reviewed. Additionally, members of the community were contacted to discern information about local economic conditions, local credit needs, performance of banks in the assessment areas, as well as potential community development opportunities.

CSB serves a total of three assessment areas in the States of South Carolina and Georgia. The bank's operations are primarily concentrated in the Hilton Head Island-Bluffton, SC MSA and the Atlanta-Sandy Springs-Alpharetta, GA assessment areas which were reviewed using the FFIEC's full scope procedures. The bank's Savannah, GA assessment area was evaluated utilizing the FFIEC's limited review procedures, and a determination was made as to whether performance was consistent with the assigned state ratings. **Appendix C** includes information about the bank's performance in the limited scope assessment area.

An overall rating and ratings for the Lending and Community Development Tests were assigned to the institution based on its performance within the assessment areas reviewed using full scope procedures. The ratings are weighted primarily according to bank activity as measured by relative lending volume, proportion of deposits, and the number of branches in each assessment area as outlined in **Appendix D**. In all cases, conclusions also take into consideration relevant performance context factors.

## DESCRIPTION OF INSTITUTION

CSB currently operates 11 full-service branch offices and ten automated teller machines (ATMs) serving three assessment areas in southeastern South Carolina and central and southeastern Georgia. The bank is a wholly owned subsidiary of CoastalSouth Bancshares Incorporated, and both are headquartered in Hilton Head Island, South Carolina. CSB received a Satisfactory rating at its prior CRA evaluation conducted by the Federal Deposit Insurance Corporation (FDIC) on June 28, 2022. No known legal impediments exist that would prevent the bank from meeting the credit needs of its assessment areas.

The Hilton Head Island-Bluffton, SC MSA assessment area includes the bank's headquarters and is located along the southeastern coast of South Carolina. During 2022, the area consisted of a portion of both Beaufort and Jasper Counties. There are currently five branches in the assessment area as the bank opened a new branch in August 2024. The new branch is located in a moderate-income census tract, while the other four are located in either middle- or upper-income census tracts. Based on branching activity and lending patterns, the bank expanded its assessment area during 2023 to include full counties and include the entire MSA.

The Savannah, GA assessment area is adjacent to the Hilton Head Island-Bluffton, SC MSA to the south and just across the Georgia state border. The bank delineates Chatham County in its entirety and operates one branch office in the assessment area located in a low-income census tract. There were no changes to the assessment area from the previous evaluation.

The Atlanta-Sandy Springs-Alpharetta, GA assessment area is located in central Georgia. During 2022, the area consisted of Cobb, Forsyth, and Dawson Counties in their entirety and a portion of Fulton and DeKalb Counties. In November 2022, the bank closed one branch office and opened one branch office in the assessment area. All branching changes occurred within the existing delineation; however, the bank expanded its assessment area in 2023 to include the entirety of Fulton and DeKalb counties.

As of June 30, 2024, CSB held assets totaling \$2.1 billion, of which 75.5% were net loans and 16.1% were securities. As of the same date, deposits totaled approximately \$1.8 billion. Various deposit and loan products are available through the institution with the current strategy focusing on commercial lending products. The composition of the loan portfolio (using gross loans) as of June 30, 2024, is represented in the following table.

**Composition of Loan Portfolio**

Loan Type	6/30/2024	
	\$(000s)	%
Secured by 1-4 Family dwellings	318,277	19.9
Multifamily	12,860	0.8
Construction and Development	124,655	7.8
Commercial & Industrial/ NonFarm NonResidential	813,260	50.9
Consumer Loans and Credit Cards	326,502	20.4
Agricultural Loans/ Farmland	1,111	0.1
All Other	297	0.0
<b>Total</b>	<b>1,596,962</b>	<b>100.0</b>

As indicated in the preceding table, CSB is an active commercial/small business lender. Small business loans (i.e. business purpose loans of \$1 million or less) are a subset of commercial and industrial loans. While the bank offers additional products, such as residential mortgage, consumer, and farm loans, the volume of such lending is relatively limited in comparison to commercial lending.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS:

Overall, the bank is rated “Satisfactory” with both the Lending Test and the Community Development Test rated “Satisfactory”. The Lending Test rating considers the bank’s loan-to-deposit ratio, the proportion of lending within its combined assessment areas, and borrower and geographic distribution performance. The Community Development Test rating considers the level of community development lending, investments, donations, and services. The components of each test are discussed in the following sections. All conclusions also take into consideration relevant performance context factors.

When evaluating the bank’s small business lending performance, Dun and Bradstreet (D&B) business data from 2022 and 2023, as well as aggregate loan data for 2022 and 2023 were used as a proxy for demand. Aggregate data includes all activity reported by lenders subject to reporting CRA data within the bank’s assessment areas. Since the bank was not subject to CRA data reporting in 2022, its lending activity is not included in the aggregate loan data for that year.

When evaluating the borrower and geographic distribution for a specific loan category within an assessment area, primary emphasis is placed on the number (and corresponding percentage) of loans originated or purchased. To arrive at an overall assessment area level conclusion regarding the distribution of lending, performance in each loan category is then generally weighted by the dollar volume of such loans made in the assessment area.

When determining overall conclusions for the institution, the bank’s level of performance in each full-scope assessment area is generally weighted by the dollar volume of lending in the assessment areas. During the evaluation period, the bank originated a greater number of small business loans in the Atlanta-Sandy Springs-Alpharetta, GA assessment area, but a slightly greater dollar volume of small business loans in the Hilton Head Island-Bluffton, SC MSA assessment area. In addition to the weighting by number and dollar volume, number of branches and deposits by assessment area are also considered. When considering all of these factors, the two full-scope assessment areas were generally weighted equally.

### Loan-To-Deposit Ratio

The bank’s current loan-to-deposit ratio equals 87.5% and averaged 82.3% for the nine-quarter period ending June 30, 2024. In comparison, the quarterly average loan-to-deposit ratios for 12 similarly situated institutions that operate in at least one of CSB’s assessment areas ranged from 60.6% to 112% during the same nine-quarter period. Since June 30, 2022, CSB’s assets, net loans, and deposits have increased by 23.5%, 36.2%, and 19.8% respectively. The bank’s level of lending activity as measured by its loan-to-deposit ratio is considered reasonable given the institution’s size, financial condition, and local credit needs.

## Lending In Assessment Areas

To determine the institution's volume of lending within its assessment areas, CSB's 2022 and 2023 small business lending as well as 2023 HMDA lending was considered. The lending distribution inside and outside of the bank's combined assessment areas is represented in the following table.

**Comparison of Credit Extended Inside and Outside of Assessment Area(s)**

Loan Type	Inside				Outside			
	#	%	\$(000)	%	#	%	\$(000)	%
Home Purchase	35	94.6	29,935	97.5	2	5.4	782	2.5
Home Improvement	0	0.0	0	0.0	0	0.0	0	0.0
Refinancing	0	0.0	0	0.0	2	100.0	1,440	100.0
Multi-Family Housing	0	0.0	0	0.0	0	0.0	0	0.0
Loan Purpose Not Applicable	0	0.0	0	0.0	0	0.0	0	0.0
Other Purpose Closed/Exempt	0	0.0	0	0.0	0	0.0	0	0.0
Other Purpose LOC	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total HMDA related</b>	<b>35</b>	<b>89.7</b>	<b>29,935</b>	<b>93.1</b>	<b>4</b>	<b>10.3</b>	<b>2,222</b>	<b>6.9</b>
Small Business	287	49.7	56,782	37.7	291	50.3	93,774	62.3
<b>TOTAL LOANS</b>	<b>322</b>	<b>52.2</b>	<b>86,717</b>	<b>47.5</b>	<b>295</b>	<b>47.8</b>	<b>95,996</b>	<b>52.5</b>

As indicated in the preceding table, a majority of the total number of loans (52.2%) was extended within the assessment areas; however, the total dollar volume of loans (47.5%) was just below the majority. Overall, the institution's level of lending within its assessment areas is considered reasonable. The bank's participation in national small business lending programs is continuing to impact this ratio.

## Lending To Businesses of Different Sizes

The bank's borrower distribution performance to small businesses having annual revenues of \$1 million or less varied by year but is considered reasonable overall for both full-scope assessment areas. As such, the overall performance is considered reasonable for the States of South Carolina and Georgia.

## Geographic Distribution of Loans

The bank's geographic distribution of small business loans in low- and moderate-income census tracts varied by year and assessment area. The distribution in the Hilton Head Island-Bluffton, SC MSA assessment area was poor overall, while the distribution in the Atlanta-Sandy Springs-Alpharetta, GA assessment area was excellent. The overall distribution performance varies by state but is considered reasonable overall for the institution. Lending patterns did identify some gaps in various low- and moderate-income census tracts throughout the assessment areas; however, after a complete analysis which considered loan demand according to aggregate data as well as the bank's capacity, location of branches, and area competition, loan penetration is reasonable.

## Community Development Loans, Investments, and Services

CSB's support of community development initiatives and organizations within its assessment areas is considered responsive. Overall, the bank provides an adequate level of qualified community development loans, investments, and services. Accordingly, the Community Development Test is rated Satisfactory. The bank faces no constraints preventing it from originating community development loans, making qualified investments, and providing community development services.

The following table provides a summary of CSB's community development activities during the evaluation period.

Designated Area	Community Development Activity					
	CD Lending		Investments			Services
	#	\$	#	\$	<i>Donations - \$</i>	<i>Service Activities</i>
Hilton Head Island-Bluffton, SC	7	\$6,552,882	14	\$3,327,546	\$106,883	6
South Carolina	1	\$2,041,248	3	\$4,904,930	\$0	1
Atlanta-Sandy Springs-Alpharetta, GA	6	\$14,785,021	12	\$22,150,205	\$108,399	8
Georgia	7	\$43,964,785	3	\$1,579,856	\$0	0
Savannah, GA (limited scope)	4	\$16,690,900	3	\$4,000,500	\$78,633	8
Total	28	\$84,034,836	35	\$35,963,037	\$293,915	23

Detailed listings of the bank's community development activities are included in the respective sections of this evaluation.

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

No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified. Adequate policies, procedures, and training programs have been developed to support nondiscrimination in lending activities.



## **SOUTH CAROLINA**

### **CRA RATING FOR STATE OF SOUTH CAROLINA: Satisfactory**

**The Lending Test is rated: Satisfactory**

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

The major factors supporting this rating include:

- The bank's borrower distribution performance is considered reasonable overall in the State of South Carolina.
- The geographic distribution of loans reflects poor dispersion throughout the bank's assessment area in the State of South Carolina.
- The bank's responsiveness to the community development needs of its assessment area through community development loans, investments, donations, and services is considered adequate.

### **SCOPE OF EXAMINATION**

The lending test review considered all small business loans originated during 2022 and all reported CRA small business loans in 2023. As previously noted, HMDA loan volume in 2023 was too limited to analyze for borrower and geographic distribution performance. All qualified community development loans and services provided since the previous evaluation (June 28, 2022), and all qualified investments made during this same period and those outstanding as of the date of this evaluation, within the designated assessment area or within the State of South Carolina were considered. To help determine the availability of community development opportunities in specific assessment areas, the CRA public evaluations of other financial institutions operating in these areas were reviewed. Additionally, members of the community were contacted to discern information about local economic conditions, local credit needs, performance of banks in the assessment areas, as well as potential community development opportunities.

The bank has delineated one assessment area in the State of South Carolina, the Hilton Head Island-Bluffton, SC MSA, which was evaluated using the FFIEC's full-scope evaluation procedures. As such, ratings for the state are based solely on the bank's performance in this assessment area.

### **DESCRIPTION OF INSTITUTION'S OPERATIONS IN HILTON HEAD ISLAND-BLUFFTON, SC MSA**

The bank's operations in South Carolina consist of the Hilton Head Island-Bluffton, SC MSA which services the bank's headquarters and is located in the southeastern coastal portion of South Carolina. The assessment area currently includes the entire MSA; however, during 2022 it included only portions of both Beaufort and Jasper Counties. There are now five branches in the assessment area, as the bank opened a new branch in August 2024. The new branch is located in a moderate-income census tract, while the other four branches are located in either middle- or upper-income census tracts. The bank's designated assessment area changed in 2023 to include all census tracts in the Counties of Beaufort and Jasper resulting in taking the entire MSA.

Recent data (June 30, 2023) from the FDIC indicates the bank ranked 2<sup>nd</sup> out of 20 institutions in local deposit market share, holding 15.3% of area deposits (excluding credit union deposits). The 2023 CRA aggregate data indicates that the institution ranks 15<sup>th</sup> out of 90 lenders and maintained about .8% of the market share for loan originations.

According to 2020 ACS data, the assessment area has a population of 215,908 and a median housing value of \$295,006. The owner occupancy rate within the area equals 56%, which is slightly lower than the statewide rate (59.3%). Within the assessment area, 7.3% of families are considered below the poverty level, which is lower than the percentage of such families in the State of South Carolina (10.5%). The 2022 and 2023 FFIEC estimated median family income for the Hilton Head Island-Bluffton, SC MSA equaled \$94,600 and \$103,300, respectively.

The following tables provide relevant demographic data for the assessment area during 2022 and 2023.

2022 HILTON HEAD ISLAND-BLUFFTON, SC AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	1	3.8	764	2.4	151	19.8	5,285	16.3
Moderate	1	3.8	920	2.8	62	6.7	4,892	15.1
Middle	11	42.3	17,312	53.5	1,287	7.4	6,554	20.3
Upper	13	50.0	13,348	41.3	354	2.7	15,613	48.3
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	26	100.0	32,344	100.0	1,854	5.7	32,344	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	1,703	660	1.7	38.8	672	39.5	371	21.8
Moderate	1,757	1,282	3.3	73.0	258	14.7	217	12.4
Middle	31,297	19,948	52.1	63.7	5,569	17.8	5,780	18.5
Upper	34,067	16,434	42.9	48.2	2,814	8.3	14,819	43.5
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	68,824	38,324	100.0	55.7	9,313	13.5	21,187	30.8
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	459	5.6	401	5.3	56	12.3	2	2.7
Moderate	208	2.6	194	2.5	10	2.2	4	5.3
Middle	3,838	47.1	3,625	47.5	175	38.5	38	50.7
Upper	3,649	44.8	3,405	44.7	213	46.9	31	41.3
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	8,154	100.0	7,625	100.0	454	100.0	75	100.0
Percentage of Total Businesses:				93.5		5.6		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	5	10.6	5	11.4	0	0.0	0	0.0
Middle	26	55.3	23	52.3	3	100.0	0	0.0
Upper	16	34.0	16	36.4	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	47	100.0	44	100.0	3	100.0	0	0.0
Percentage of Total Farms:				93.6		6.4		0.0
Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

2023 HILTON HEAD ISLAND-BLUFFTON, SC MSA AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	2	4.0	1,789	3.1	249	13.9	12,186	21.0
Moderate	11	22.0	11,989	20.7	1,204	10.0	10,227	17.6
Middle	18	36.0	28,843	49.8	2,307	8.0	12,029	20.8
Upper	16	32.0	15,330	26.5	490	3.2	23,510	40.6
Unknown	3	6.0	1	0.0	0	0.0	0	0.0
Total AA	50	100.0	57,952	100.0	4,250	7.3	57,952	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	3,523	1,936	3.1	55.0	992	28.2	595	16.9
Moderate	20,751	11,151	17.6	53.7	6,663	32.1	2,937	14.2
Middle	50,455	31,390	49.5	62.2	10,785	21.4	8,280	16.4
Upper	38,558	18,939	29.9	49.1	3,097	8.0	16,522	42.8
Unknown	6	2	0.0	33.3	0	0.0	4	66.7
Total AA	113,293	63,418	100.0	56.0	21,537	19.0	28,338	25.0
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	663	5.2	596	5.0	64	9.2	3	2.6
Moderate	1,870	14.7	1,770	14.8	82	11.8	18	15.7
Middle	6,112	47.9	5,747	48.1	312	45.1	53	46.1
Upper	4,104	32.2	3,831	32.1	233	33.7	40	34.8
Unknown	5	0.0	3	0.0	1	0.1	1	0.9
Total AA	12,754	100.0	11,947	100.0	692	100.0	115	100.0
Percentage of Total Businesses:				93.7		5.4		0.9
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	7	6.0	4	3.8	2	18.2	1	100.0
Moderate	47	40.2	41	39.0	6	54.5	0	0.0
Middle	45	38.5	42	40.0	3	27.3	0	0.0
Upper	18	15.4	18	17.1	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	117	100.0	105	100.0	11	100.0	1	100.0
Percentage of Total Farms:				89.7		9.4		0.9
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.								

Based on changes made to the assessment area delineation in 2023 to include all census tracts in Beaufort and Jasper Counties, the bank now serves one additional low-income census tract and ten additional moderate-income census tracts. Additionally, the percentage of area low- and moderate-income families (by family income) increased from 31.4% to 38.6%.

The economic drivers for the area are tourism, government, military, retirement industry, education, and healthcare. The following table provides annual average unemployment rate information for the assessment area and state from 2018-2022.

HILTON HEAD ISLAND-BLUFFTON, SC Unemployment Rates					
Area	2018	2019	2020	2021	2022
HILTON HEAD ISLAND-BLUFFTON, SC	3.1%	2.6%	5.2%	3.4%	3.1%
Beaufort County, SC	3.2%	2.6%	5.3%	3.4%	3.1%
Jasper County, SC	2.9%	2.5%	5.0%	3.4%	3.1%
South Carolina	3.4%	2.8%	6.0%	3.9%	3.2%

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

As indicated in the preceding table, prior to the COVID-19 pandemic, the assessment area's unemployment rates were generally trending downward. During 2020, which was the peak of the pandemic, the assessment area and the state experienced a significant increase in unemployment rates. Since 2020, the area and statewide unemployment rates have been trending downward. During the five year period, annual average unemployment rates for the assessment area have remained slightly lower than the statewide rate.

A local economic development official was contacted during the evaluation to discuss local business credit needs. The contact noted that credit needs for small businesses in the area fluctuates, with startups having the most difficulty obtaining necessary financing. The official also indicated that a majority of financial institutions are willing to provide services, are actively involved with local economic development, and are meeting the business credit needs of the area.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS:

The Lending Test for the State of South Carolina is rated Satisfactory. The Community Development Test is also rated Satisfactory. The components of each test are discussed in the following sections. All conclusions also take into consideration relevant performance context factors.

Dun & Bradstreet (D&B) business demographic data and aggregate CRA loan data were used as a proxy for demand when evaluating the bank's small business lending performance. Aggregate data includes all activity reported by lenders subject to reporting CRA data within the bank's assessment area.

## Lending To Businesses of Different Sizes

The bank's small business borrower distribution performance is considered excellent for 2022 and reasonable for 2023. Given the relative strength of performance and dollar volume of lending each year, overall performance for the assessment area is considered reasonable.

Distribution of 2022 Small Business Lending By Revenue Size of Businesses							
Assessment Area: HILTON HEAD ISLAND-BLUFFTON, SC							
	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	
By Revenue							
\$1 Million or Less	19	59.4	47.8	3,959	58.1	35.1	93.5
Over \$1 Million	7	21.9		2,128	31.2		5.6
Revenue Unknown	6	18.8		728	10.7		0.9
Total	32	100.0		6,815	100.0		100.0
By Loan Size							
\$100,000 or Less	13	40.6	93.7	755	11.1	42.0	
\$100,001 - \$250,000	8	25.0	3.6	1,266	18.6	17.0	
\$250,001 - \$1 Million	11	34.4	2.7	4,794	70.3	41.0	
Total	32	100.0	100.0	6,815	100.0	100.0	
By Loan Size and Revenues \$1 Million or Less							
\$100,000 or Less	8	42.1		451	11.4		
\$100,001 - \$250,000	5	26.3		805	20.3		
\$250,001 - \$1 Million	6	31.6		2,703	68.3		
Total	19	100.0		3,959	100.0		
Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey							
Note: Percentages may not total 100.0 percent due to rounding.							

CSB's 2022 small business loan performance is considered excellent. The bank's level of lending to businesses with annual revenues of \$1 million or less (59.4%) significantly lagged the percentage of area businesses having revenues of \$1 million or less (93.5%); however, CSB's level of lending significantly exceeded the aggregate lending level (47.8%). With respect to the distribution by loan size, 40.6% of the bank's small business loans during 2022 were in amounts of \$100,000 or less, compared to 93.7% of such lending by aggregate reporters. Overall, the bank's performance is driven by its level of small business lending by revenue compared to the aggregate reporters' level of lending.

Distribution of 2023 Small Business Lending By Revenue Size of Businesses							
Assessment Area: HILTON HEAD ISLAND-BLUFFTON, SC MSA							
	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	
By Revenue							
\$1 Million or Less	21	38.9	51.4	1,813	12.5	32.5	93.7
Over \$1 Million	31	57.4		11,983	82.8		5.4
Revenue Unknown	2	3.7		681	4.7		0.9
Total	54	100.0		14,477	100.0		100.0
By Loan Size							
\$100,000 or Less	24	44.4	93.1	1,365	9.4	38.6	
\$100,001 - \$250,000	10	18.5	4.0	2,110	14.6	19.2	
\$250,001 - \$1 Million	20	37.0	2.9	11,002	76.0	42.2	
Total	54	100.0	100.0	14,477	100.0	100.0	
By Loan Size and Revenues \$1 Million or Less							
\$100,000 or Less	17	81.0		865	47.7		
\$100,001 - \$250,000	2	9.5		410	22.6		
\$250,001 - \$1 Million	2	9.5		538	29.7		
Total	21	100.0		1,813	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.							

The bank's 2023 small business loan performance is considered reasonable. CSB's level of lending to businesses with annual revenues of \$1 million or less (38.9%) significantly lagged the percentage of area businesses having revenues of \$1 million or less (93.7%); however, the level of lending slightly lagged the aggregate lending level (51.4%). With respect to the distribution by loan size, 44.4% of the bank's small business loans during 2023 were in amounts of \$100,000 or less, compared to 93.1% of such lending by aggregate reporters. Overall, the bank's performance is driven by its level of small business lending by revenue compared to the aggregate reporters' level of lending.

## Geographic Distribution of Loans

The bank's geographic distribution of small business loans in low- and moderate-income census tracts is considered poor during 2022 and 2023.

Distribution of 2022 Small Business Lending By Income Level of Geography							
Assessment Area: HILTON HEAD ISLAND-BLUFFTON, SC							
Geographic Income Level	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	
Low	1	3.1	5.8	181	2.7	8.2	5.6
Moderate	0	0.0	3.2	0	0.0	5.7	2.6
Middle	8	25.0	48.8	1,276	18.7	44.3	47.1
Upper	23	71.9	42.3	5,358	78.6	41.8	44.8
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	32	100.0	100.0	6,815	100.0	100.0	100.0
Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.							

During 2022, the geographic distribution of small business loans is considered poor. The bank's level of lending in low-income census tracts (3.1%) lagged the percentage of area businesses (5.6%) and the aggregate reporters' level of lending (5.8%) in such tracts. The bank's lack of lending in moderate-income census tracts (0%) also lagged the percentage of area businesses (2.6%) and the aggregate reporters' level of lending (3.2%) in such tracts.

Distribution of 2023 Small Business Lending By Income Level of Geography							
Assessment Area: HILTON HEAD ISLAND-BLUFFTON, SC MSA							
Geographic Income Level	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	
Low	4	7.4	5.0	2,064	14.3	6.7	5.2
Moderate	1	1.9	13.3	32	0.2	10.5	14.7
Middle	16	29.6	48.2	2,718	18.8	41.1	47.9
Upper	33	61.1	32.5	9,663	66.7	41.6	32.2
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.9	0	0.0	0.2	
Total	54	100.0	100.0	14,477	100.0	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.							

During 2023, the geographic distribution of small business loans is also considered poor. The bank's level of lending in low-income census tracts (7.4%) exceeded the percentage of area businesses (5.2%) and the aggregate reporters' level of lending (5%) in such tracts. However, the bank's level of lending in moderate-income census tracts (1.9%) significantly lagged the percentage of area businesses (14.7%) and the aggregate reporters' level of lending (13.3%) in such tracts.



## Community Development Loans, Investments, and Services

Overall, CSB's responsiveness to the community development needs of the assessment area is considered adequate. Accordingly, the Community Development Test is rated Satisfactory. Opportunities for community development lending, investments, and services are reasonably available within the assessment area based upon discussions with an individual knowledgeable of the local community and the review of performance evaluations of other similarly situated local financial institutions. The bank faces no significant constraints in providing such loans, investments, and services given its capacity, market position, and business strategy.

The following community development activities were performed within the Hilton Head Island-Bluffton, SC MSA assessment area:

- Four loans totaling approximately \$2.7 million to organizations that provide affordable housing in low- and moderate-income tracts and to low- and moderate-income families with two of the entities receiving HOME & Low-Income Housing Tax Credits (LIHTC).
- Two loans totaling approximately \$3.8 million to organizations that promote economic development through the creation or retention of low- and moderate-income jobs, or meet the Small Business Administration (SBA) small business size and purpose test.
- One loan for \$50,000 to an organization that provides free health care to low- and moderate-income families with limited or no medical insurance.
- Nine Certificates of Deposits totaling \$750,000 are held with Community Development Financial Institutions (CDFIs) that provide small business economic development.
- Four equity investments totaling \$787,129 in an entity that provides affordable housing and receives Low-Income Housing Tax Credits.
- One investment totaling approximately \$1.8 million in an affordable housing mortgage pool.
- Eighteen donations totaling \$106,883 were made to qualifying organizations that provided affordable housing, economic development, or community services to area low- and moderate-income residents.
- Six community development services were provided to organizations that promote economic development or provide community services to area low- and moderate-income residents.

The following community development activities were performed within the larger statewide area:

- One loan totaling approximately \$2 million to revitalize and repurpose an abandoned textile mill located in a low-income census tract into workforce housing.
- Three municipal bonds totaling approximately \$4.9 million that provide funding for essential community infrastructure such as sewer, schools, and judicial buildings in communities with significant low- and moderate-income areas and/or residents.
- One community development service was provided to an organization that provides mentoring and education services to small start-up businesses in South Carolina.



## STATE OF GEORGIA

### **CRA RATING FOR STATE OF GEORGIA: Satisfactory**

**The Lending Test is rated: Satisfactory**

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

The major factors supporting this rating include:

- The bank's borrower distribution performance is considered reasonable overall in the State of Georgia.
- The geographic distribution of loans reflects excellent dispersion throughout the bank's full-scope assessment area in the State of Georgia.
- The bank's responsiveness to the community development needs of its full-scope assessment area through qualified loans, investments, donations, and services is considered adequate.

### **SCOPE OF EXAMINATION**

The lending test review considered all small business loans originated during 2022 and all reported CRA small business loans in 2023. As previously noted, HMDA loan volume in 2023 was too limited to analyze for borrower and geographic distribution performance. All qualified community development loans and services provided since the previous evaluation (June 28, 2022), and all qualified investments made during this same period and those outstanding as of the date of this evaluation, within the designated assessment areas or within the State of Georgia were considered. To help determine the availability of community development opportunities in specific assessment areas, the CRA public evaluations of other financial institutions operating in these areas were reviewed. Additionally, members of the community were contacted to discern information about local economic conditions, local credit needs, performance of banks in the assessment areas, as well as potential community development opportunities.

The bank has delineated two assessment areas in the State of Georgia:

- Atlanta-Sandy Springs-Alpharetta GA
- Savannah, GA

On a combined basis, the assessment areas in the State of Georgia account for 50.6% of the bank's overall lending (by dollar volume), 54.5% of branches, and 38.2% of the deposit volume. Based upon relative size and concentration of banking activities, the Atlanta-Sandy Springs-Alpharetta, GA assessment area was identified as the bank's primary market within the State of Georgia and was reviewed utilizing the FFIEC's full-scope evaluation procedures. The Savannah, GA assessment area accounts for 6.4% of the bank's overall lending (by dollar volume), 9% of branches, and 2.5% of the institution's deposit volume and was reviewed utilizing the FFIEC's limited-scope evaluation procedures where a determination was made as to whether its performance was consistent with the assigned state rating. Information about loan volume, branches, and deposits is included in **Appendix D** of this report.

### **DESCRIPTION OF INSTITUTION'S OPERATIONS IN GEORGIA**

CSB operates six branches across two assessment areas, the Atlanta-Sandy Springs-Alpharetta, GA assessment area and the Savannah, GA assessment area, in northeastern and central Georgia. Within the bank's Georgia assessment areas, CSB is ranked 20<sup>th</sup> out of 62 institutions in local deposit market share with .4% of the available FDIC insured deposits (excluding credit unions) as of June 30, 2023.

According to ACS data from 2020, the Georgia assessment areas have a population of 3,170,613, including 723,195 families. Of the families within the Georgia assessment areas, low- and moderate-income families comprise 20.6% and 15% respectively. Within these assessment areas, the owner-occupancy rate equals 53.6% and 8.2% of families live below the poverty level. The 2022 median family incomes for the Atlanta-Sandy Springs-Alpharetta, GA MSA and the Savannah, GA MSA equal \$95,700 and \$83,400, respectively. The 2023 median family incomes for the Atlanta-Sandy Springs-Alpharetta, GA MSA and the Savannah, GA MSA equal \$102,900 and \$91,500, respectively.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS:

The bank's overall State of Georgia rating and the ratings for each test for the state are based upon the performance in the Atlanta-Sandy Springs-Alpharetta, GA assessment area, which is discussed in detail in the next section of this evaluation. Overall, the bank's Lending Test rating is Satisfactory.

### Community Development Loans, Investments, and Services

Overall, the bank provides an adequate level of qualified community development loans, investments, and services. Accordingly, the Community Development Test is rated Satisfactory. CSB's support of community development initiatives and organizations within its assessment areas is considered responsive.

The following represents activities that benefit the larger statewide area of Georgia. Community development activities specific to the assessment areas are discussed in the respective assessment area sections.

- Six loans totaling approximately \$36.4 million to organizations located in Georgia that promote economic development through the creation or retention of low- and moderate-income jobs, or meet the SBA small business size and purpose test.
- One loan totaling \$7.6 million to an organization in Georgia that provides affordable housing to low- and moderate-income families.
- One municipal bond totaling approximately \$350,000 that provides essential community infrastructure and water services for low- and moderate-income residents.
- One equity investment totaling \$730,000 in a small business investment company (SBIC) that facilitates economic development within the State of Georgia.
- One Certificate of Deposit totaling \$500,000 in a CDFI that facilitates economic development within the State of Georgia.

**METROPOLITAN AREA**  
*(reviewed using full-scope review procedures)*

**DESCRIPTION OF INSTITUTION'S OPERATIONS IN ATLANTA-SANDY SPRINGS-  
ALPHARETTA, GA ASSESSMENT AREA**

The Atlanta-Sandy Springs-Alpharetta, GA assessment area consists of the five counties of Fulton, DeKalb, Forsyth, Cobb, and Dawson and covers the majority of the metropolitan and some of the surrounding areas of Atlanta, GA. During 2022, the delineation included partial Fulton and Dekalb Counties; however, the bank changed the assessment area in 2023 to include both counties in their entirety.

The bank operates five branch offices in the assessment area. Branch changes since the previous evaluation include one branch closure in November 2022 in an upper-income census tract and one branch opening in November 2022 in a moderate-income census tract. Recent data (June 30, 2023) from the FDIC indicates the bank ranked 20<sup>th</sup> out of 57 institutions in local deposit market share, holding .4% of area deposits (excluding credit union deposits). According to the 2023 aggregate CRA loan data, the institution ranked 29<sup>th</sup> out of 206 lenders in reported small business volume, holding .1% of the area market share.

According to 2020 ACS data, the assessment area has a population of 2,875,322 and a median housing value of \$290,732. The owner occupancy rate within the area equals 54.2%, which is similar to the statewide rate (56.7%), but lower than the owner occupancy rate for the entire MSA (59.3%). Within the assessment area, 8% of families are considered below the poverty level, which is similar to the entire MSA (8.4%) and lower than the percentage of such families in the State of Georgia (10.6%). The 2022 and 2023 FFIEC estimated median family income for the Atlanta-Sandy Springs-Alpharetta, GA MSA equaled \$95,700 and \$102,900, respectively.

The following tables provide relevant demographic data for the assessment area during 2022 and 2023.

2022 ATLANTA-SANDY SPRINGS-ALPHARETTA, GA AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	53	8.4	32,332	6.0	9,077	28.1	96,047	17.8
Moderate	83	13.2	67,116	12.4	9,176	13.7	71,923	13.3
Middle	122	19.3	111,337	20.6	7,582	6.8	86,844	16.1
Upper	337	53.4	318,597	59.1	9,422	3.0	284,651	52.8
Unknown	36	5.7	10,083	1.9	2,231	22.1	0	0.0
Total AA	631	100.0	539,465	100.0	37,488	6.9	539,465	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	73,845	17,533	3.3	23.7	43,289	58.6	13,023	17.6
Moderate	138,375	52,088	9.7	37.6	71,452	51.6	14,835	10.7
Middle	200,005	106,067	19.7	53.0	77,382	38.7	16,556	8.3
Upper	530,075	353,636	65.6	66.7	138,465	26.1	37,974	7.2
Unknown	39,806	9,998	1.9	25.1	24,714	62.1	5,094	12.8
Total AA	982,106	539,322	100.0	54.9	355,302	36.2	87,482	8.9
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	8,223	4.8	7,689	4.8	471	4.1	63	3.5
Moderate	21,339	12.4	19,669	12.4	1,487	12.9	183	10.3
Middle	31,548	18.3	29,201	18.4	2,045	17.8	302	16.9
Upper	103,489	60.1	95,496	60.1	6,854	59.5	1,139	63.9
Unknown	7,634	4.4	6,881	4.3	658	5.7	95	5.3
Total AA	172,233	100.0	158,936	100.0	11,515	100.0	1,782	100.0
Percentage of Total Businesses:				92.3		6.7		1.0
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	18	2.6	18	2.7	0	0.0	0	0.0
Moderate	82	12.0	81	12.0	1	11.1	0	0.0
Middle	121	17.7	121	17.9	0	0.0	0	0.0
Upper	443	64.8	436	64.6	7	77.8	0	0.0
Unknown	20	2.9	19	2.8	1	11.1	0	0.0
Total AA	684	100.0	675	100.0	9	100.0	0	0.0
Percentage of Total Farms:				98.7		1.3		0.0
Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

2023 ATLANTA-SANDY SPRINGS-ALPHARETTA, GA AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	77	10.0	49,203	7.5	13,722	27.9	132,622	20.2
Moderate	136	17.6	112,013	17.1	15,427	13.8	95,937	14.6
Middle	164	21.3	150,337	22.9	10,259	6.8	111,552	17.0
Upper	350	45.4	330,084	50.3	9,887	3.0	316,137	48.2
Unknown	44	5.7	14,611	2.2	3,176	21.7	0	0.0
Total AA	771	100.0	656,248	100.0	52,471	8.0	656,248	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	108,892	25,974	4.0	23.9	65,678	60.3	17,240	15.8
Moderate	221,227	90,410	14.0	40.9	106,314	48.1	24,503	11.1
Middle	264,633	148,866	23.1	56.3	94,277	35.6	21,490	8.1
Upper	547,891	367,041	56.8	67.0	142,032	25.9	38,818	7.1
Unknown	49,792	13,469	2.1	27.1	30,316	60.9	6,007	12.1
Total AA	1,192,435	645,760	100.0	54.2	438,617	36.8	108,058	9.1
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	11,530	5.8	10,881	5.9	573	4.7	76	4.2
Moderate	32,878	16.6	30,852	16.7	1,767	14.6	259	14.3
Middle	41,124	20.7	38,535	20.9	2,250	18.6	339	18.7
Upper	104,071	52.4	96,235	52.1	6,792	56.2	1,044	57.6
Unknown	8,928	4.5	8,127	4.4	708	5.9	93	5.1
Total AA	198,531	100.0	184,630	100.0	12,090	100.0	1,811	100.0
Percentage of Total Businesses:				93.0		6.1		0.9
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	24	3.2	24	3.2	0	0.0	0	0.0
Moderate	125	16.4	123	16.4	2	20.0	0	0.0
Middle	151	19.8	151	20.1	0	0.0	0	0.0
Upper	441	58.0	434	57.8	7	70.0	0	0.0
Unknown	20	2.6	19	2.5	1	10.0	0	0.0
Total AA	761	100.0	751	100.0	10	100.0	0	0.0
Percentage of Total Farms:				98.7		1.3		0.0
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.								

Based on changes made to the assessment area delineation in 2023 to include all census tracts in Fulton and DeKalb Counties, the bank now serves 24 additional low-income and 53 additional moderate-income census tracts. Additionally, the percentage of area low- and moderate-income families (by family income) increased from 31.1% to 34.8%.

This is a very large geographical area that includes metropolitan and rural counties and has numerous economic drivers, with some of the largest sectors of employment in government, healthcare, professional and technical services, retail trade, administrative and waste services, finance and insurance, and accommodation and food services. The following table provides annual average unemployment rate information for the assessment area and state from 2018-2022.

ATLANTA-SANDY SPRINGS-ALPHARETTA, GA Unemployment Rates					
Area	2018	2019	2020	2021	2022
ATLANTA-SANDY SPRINGS-ALPHARETTA, GA	3.8%	3.4%	7.0%	4.0%	2.9%
Cobb County, GA	3.5%	3.1%	5.9%	3.2%	2.6%
Dawson County, GA	3.3%	2.9%	4.6%	2.7%	2.5%
DeKalb County, GA	4.1%	3.6%	7.9%	4.5%	3.1%
Forsyth County, GA	3.2%	2.9%	4.5%	2.5%	2.3%
Fulton County, GA	4.1%	3.6%	7.9%	4.6%	3.2%
Atlanta-Sandy Springs-Alpharetta, GA MSA	3.8%	3.4%	6.8%	3.9%	2.9%
Georgia	4.0%	3.6%	6.5%	3.9%	3.0%

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

As indicated in the table, prior to the COVID-19 pandemic the assessment area's unemployment rates were generally trending downward. During 2020, which was the peak of the pandemic, the assessment area, MSA, and the state experienced a substantial increase in unemployment rates. Since 2020, the area's unemployment rates have been trending downward. Unemployment rates in the counties, the MSA, and the state have trended in the same direction.

An economic development official was contacted during the evaluation to assist in evaluating the bank's CRA performance. The contact noted that credit needs for small businesses in the area are steady. The official also indicated that financial institutions are willing to provide services and are actively involved with local economic development. One recent example included Georgia Mountain Regional Commission providing funding for businesses that had difficulty qualifying for financing. Area banks are able to participate in conjunction with this program, often providing other loan options. The contact felt that overall business credit needs are being met.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS:

The Lending Test for the Atlanta-Sandy Springs-Alpharetta, GA assessment area is rated Satisfactory. The Community Development Test is also rated Satisfactory. The components of each test are discussed in the following sections. All conclusions also take into consideration relevant performance context factors.

Dun & Bradstreet (D&B) business demographic data and aggregate CRA loan data were used as a proxy for demand when evaluating the bank's small business lending performance. Aggregate data includes all activity reported by lenders subject to reporting CRA data within the bank's assessment area.

## Lending to Businesses of Different Sizes

The bank's borrower distribution performance for small business lending varied by year, with 2022 considered reasonable and 2023 considered excellent. Given the relative strength of performance and volume of lending each year, the bank's overall performance is considered reasonable.

Distribution of 2022 Small Business Lending By Revenue Size of Businesses							
Assessment Area: ATLANTA-SANDY SPRINGS-ALPHARETTA, GA							
	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	%	%	
By Revenue							
\$1 Million or Less	11	35.5	47.6	2,815	38.8	33.3	92.3
Over \$1 Million	10	32.3		3,722	51.3		6.7
Revenue Unknown	10	32.3		714	9.8		1.0
Total	31	100.0		7,251	100.0		100.0
By Loan Size							
\$100,000 or Less	14	45.2	95.6	408	5.6	46.3	
\$100,001 - \$250,000	6	19.4	2.3	956	13.2	13.4	
\$250,001 - \$1 Million	11	35.5	2.1	5,888	81.2	40.2	
Total	31	100.0	100.0	7,251	100.0	100.0	
By Loan Size and Revenues \$1 Million or Less							
\$100,000 or Less	4	36.4		224	8.0		
\$100,001 - \$250,000	1	9.1		154	5.5		
\$250,001 - \$1 Million	6	54.5		2,437	86.6		
Total	11	100.0		2,815	100.0		
Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey							
Note: Percentages may not total 100.0 percent due to rounding.							

CSB's 2022 small business loan performance is considered reasonable. The bank's level of lending to businesses with annual revenues of \$1 million or less (35.5%) lagged the percentage of area businesses having revenues of \$1 million or less (92.3%) as well as the aggregate lending level (47.6%). With respect to the distribution by loan size, 45.2% of the bank's small business loans during 2022 were in amounts of \$100,000 or less, compared to 95.6% of such lending by aggregate reporters. Overall, the bank's performance is driven by its level of small business lending by revenue compared to the aggregate reporters' level of lending.

Distribution of 2023 Small Business Lending By Revenue Size of Businesses							
Assessment Area: ATLANTA-SANDY SPRINGS-ALPHARETTA, GA							
	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	
By Revenue							
\$1 Million or Less	94	61.8	49.8	6,834	27.1	33.2	93.0
Over \$1 Million	24	15.8		7,296	29.0		6.1
Revenue Unknown	34	22.4		11,057	43.9		0.9
Total	152	100.0		25,187	100.0		100.0
By Loan Size							
\$100,000 or Less	88	57.9	96.0	2,614	10.4	48.1	
\$100,001 - \$250,000	22	14.5	2.1	3,867	15.4	13.1	
\$250,001 - \$1 Million	42	27.6	1.9	18,706	74.3	38.8	
Total	152	100.0	100.0	25,187	100.0	100.0	
By Loan Size and Revenues \$1 Million or Less							
\$100,000 or Less	76	80.9		1,857	27.2		
\$100,001 - \$250,000	9	9.6		1,720	25.2		
\$250,001 - \$1 Million	9	9.6		3,257	47.7		
Total	94	100.0		6,834	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.							

CSB's 2023 small business loan performance is considered excellent. The bank's level of lending to businesses with annual revenues of \$1 million or less (61.8%) lagged the percentage of area businesses having revenues of \$1 million or less (93%) but significantly exceeded the aggregate lending level (49.8%). With respect to the distribution by loan size, 57.9% of the bank's small business loans during 2023 were in amounts of \$100,000 or less, compared to 96% of such lending by aggregate reporters. Overall, the bank's performance is driven by its level of small business lending by revenue compared to the aggregate reporters' level of lending.



## Geographic Distribution of Loans

The bank's geographic distribution of small business loans in low- and moderate-income census tracts varied by year, with 2022 considered reasonable and 2023 considered excellent. Overall, based on the relative strength of performance and dollar volume of lending each year, the bank's performance is considered excellent.

Lending patterns do identify gaps in various low- and moderate-income census tracts throughout the assessment area; however, given the bank's size, capacity, location and number of branches, its penetration in many of the area's low- and moderate-income tracts, as well as the level of competition in the area, the gaps are reasonable.

Distribution of 2022 Small Business Lending By Income Level of Geography							
Assessment Area: ATLANTA-SANDY SPRINGS-ALPHARETTA, GA							
Geographic Income Level	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	\$%	\$%	
Low	2	6.5	4.4	165	2.3	3.9	4.8
Moderate	2	6.5	11.5	49	0.7	11.7	12.4
Middle	2	6.5	18.2	154	2.1	18.3	18.3
Upper	22	71.0	61.9	5,945	82.0	62.0	60.1
Unknown	3	9.7	3.9	939	12.9	4.0	4.4
Tract-Unk	0	0.0	0.1	0	0.0	0.0	
Total	31	100.0	100.0	7,251	100.0	100.0	100.0
Source: 2022 FFIEC Census Data							
2022 Dun & Bradstreet Data							
2016-2020 U.S. Census Bureau: American Community Survey							
Note: Percentages may not total 100.0 percent due to rounding.							

During 2022, the geographic distribution of small business loans is considered reasonable. The bank's level of lending in low-income census tracts (6.5%) exceeded the percentage of area businesses (4.8%) and the aggregate reporters' level of lending (4.4%) in such tracts. The bank's level of lending in moderate-income census tracts (6.5%) lagged the percentage of area businesses (12.4%) and the aggregate reporters' level of lending (11.5%) in such tracts.

Distribution of 2023 Small Business Lending By Income Level of Geography							
Assessment Area: ATLANTA-SANDY SPRINGS-ALPHARETTA, GA							
Geographic Income Level	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	
Low	14	9.2	4.9	1,549	6.1	4.6	5.8
Moderate	32	21.1	14.5	4,431	17.6	13.9	16.6
Middle	27	17.8	20.5	4,715	18.7	19.7	20.7
Upper	74	48.7	56.2	13,958	55.4	57.8	52.4
Unknown	5	3.3	3.7	534	2.1	4.0	4.5
Tract-Unk	0	0.0	0.2	0	0.0	0.0	
Total	152	100.0	100.0	25,187	100.0	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.							

During 2023, the geographic distribution of small business loans is considered excellent. The bank's level of lending in low-income census tracts (9.2%) significantly exceeded the percentage of area businesses (5.8%) and the aggregate reporters' level of lending (4.9%) in such tracts. The bank's level of lending in moderate-income census tracts (21.1%) also exceeded the percentage of area businesses (16.6%) and the aggregate reporters' level of lending (14.5%) in such tracts.

### Community Development Loans, Investments, and Services

Overall, the bank provides an adequate level of qualified community development loans, investments, and services. Accordingly, the Community Development Test is rated Satisfactory. CSB's support of community development initiatives and organizations within its assessment areas is considered responsive. The bank faces no constraints in preventing it from originating community development loans, making qualified investments, and providing community development services.

The following community development activities were conducted within this assessment area:

- One loan totaling \$9.1 million to an organization developing new affordable and workforce housing units located in a moderate-income census tract and utilizing Low Income Housing Tax Credits (LIHTCs).
- Two loans totaling \$400,000 to organizations that provide community services to low- and moderate-income disabled or abused children.
- Three loans totaling approximately \$5.3 million to organizations that promote economic development through the creation or retention of low- and moderate-income jobs, or meet the SBA small business size and purpose test.
- Three Certificates of Deposits totaling approximately \$1.5 million held in CDFIs that promote small business economic development.
- Seven investments totaling \$17.6 million in mortgage-backed security loan pools secured by affordable housing or loans primarily to low- and moderate-income borrowers or areas.
- Two municipal bonds totaling approximately \$3 million to government entities providing essential water and sewer infrastructure and services to predominately low- and moderate-income areas and residents.
- Sixteen donations totaling \$108,399 to various organizations, of which 15 provide community services to low- and moderate-income residents and one facilitates economic development.
- Eight community development services where bank employees serve as a board member or provide financial expertise to local organizations that provide community services to low- and moderate-income residents or promote economic development.

## METROPOLITAN AREAS

*(reviewed using limited-scope review procedures )*

### DESCRIPTION OF INSTITUTION'S OPERATIONS IN SAVANNAH, GA ASSESSMENT AREA

A limited-scope review of the bank's CRA performance was conducted for the Savannah, GA assessment area. The bank's Lending and Community Development Test performances in the area were consistent with the Atlanta-Sandy Springs-Alpharetta, GA performance levels.

The assessment area consists of Chatham County, Georgia, which is a part of the Savannah, GA MSA and in 2022 included nine low-, 30 moderate-, 23 middle-, 21 upper-, and five unknown-income census tracts. The bank operates one branch office within the assessment area, which is located in a low-income census tract. Based on 2020 ACS data, the assessment area has a population of approximately 295,291, including 66,947 families. The 2022 and 2023 median family income for the Savannah, GA MSA equaled \$83,400 and \$91,500, respectively.

Savannah, GA has a strong and diverse economy and is heavily influenced by tourism and port activity with top employers coming from retail trade, accommodations and food services, health services, manufacturing, and transportation and warehousing. According to FDIC deposit data as of June 30, 2023, the bank ranked 18<sup>th</sup> out of 21 institutions in local deposit market share with .5% of all FDIC-insured deposits (excluding credit union deposits). Aggregate CRA loan data from 2023 indicates that CSB ranked 34<sup>th</sup> out of 87 institutions and originated approximately .1% of reported small business loans in the assessment area.

### CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

Lending and community development performance for the Savannah, GA assessment area is reflective of the bank's size, capacity, and branching. The bank originated four community development loans totaling approximately \$16.7 million, holds three investments totaling approximately \$4 million, made donations totaling \$78,633, and provided eight qualified service activities. Conclusions regarding performance, which did not impact the institution's overall rating, are included in the following table. For each test, the conclusion conveys whether performance in the assessment area was generally below, consistent with, or exceeded the institution's statewide ratings. Performance and demographic information can be found in **APPENDIX C** of this evaluation.

Assessment Area	Lending Test	Community Development Test
Savannah, GA	Consistent	Consistent

**CRA APPENDIX A**  
**SCOPE OF EXAMINATION**

<b>LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION</b>			
<b>ASSESSMENT AREA</b>	<b>TYPE OF EXAMINATION</b>	<b>BRANCHES VISITED<sup>1</sup></b>	<b>OTHER INFORMATION</b>
Hilton Head Island- Bluffton, SC MSA	Full-Scope	None	None
Atlanta-Sandy Springs- Alpharetta, GA	Full-Scope	None	None
Savannah, GA	Limited-Scope	None	None

<sup>1</sup> There is a statutory requirement that the written evaluation of a multistate institution's performance must list the individual branches examined in each state.

**CRA APPENDIX B**

**SUMMARY OF STATE RATINGS**

<b>State or Multistate Metropolitan Area Name</b>	<b>Lending Test Rating</b>	<b>Community Development Test Rating</b>	<b>Overall Rating</b>
State of South Carolina	Satisfactory	Satisfactory	Satisfactory
State of Georgia	Satisfactory	Satisfactory	Satisfactory

## CRA APPENDIX C

### LIMITED SCOPE REVIEW TABLES

#### Savannah, GA Assessment Area

#### Savannah, GA 2022 Demographics

2022 SAVANNAH, GA AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	9	10.2	5,938	8.9	1,688	28.4	16,281	24.3
Moderate	30	34.1	19,758	29.5	3,103	15.7	12,230	18.3
Middle	23	26.1	22,193	33.2	1,278	5.8	12,328	18.4
Upper	21	23.9	18,059	27.0	519	2.9	26,108	39.0
Unknown	5	5.7	999	1.5	226	22.6	0	0.0
Total AA	88	100.0	66,947	100.0	6,814	10.2	66,947	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	12,515	3,467	5.7	27.7	6,854	54.8	2,194	17.5
Moderate	40,027	15,196	24.9	38.0	19,942	49.8	4,889	12.2
Middle	38,870	21,040	34.5	54.1	13,896	35.7	3,934	10.1
Upper	32,739	20,391	33.4	62.3	7,456	22.8	4,892	14.9
Unknown	2,083	944	1.5	45.3	682	32.7	457	21.9
Total AA	126,234	61,038	100.0	48.4	48,830	38.7	16,366	13.0
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	2,095	13.4	1,878	13.0	204	18.2	13	8.8
Moderate	4,890	31.2	4,504	31.3	343	30.6	43	29.3
Middle	4,751	30.3	4,383	30.4	327	29.1	41	27.9
Upper	3,447	22.0	3,259	22.6	143	12.7	45	30.6
Unknown	488	3.1	378	2.6	105	9.4	5	3.4
Total AA	15,671	100.0	14,402	100.0	1,122	100.0	147	100.0
Percentage of Total Businesses:				91.9		7.2		0.9
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	8	10.7	7	9.6	1	50.0	0	0.0
Moderate	16	21.3	15	20.5	1	50.0	0	0.0
Middle	19	25.3	19	26.0	0	0.0	0	0.0
Upper	32	42.7	32	43.8	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	75	100.0	73	100.0	2	100.0	0	0.0
Percentage of Total Farms:				97.3		2.7		0.0
Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

## Savannah, GA 2023 Demographics

2023 SAVANNAH, GA AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	9	10.2	5,938	8.9	1,688	28.4	16,281	24.3
Moderate	30	34.1	19,758	29.5	3,103	15.7	12,230	18.3
Middle	23	26.1	22,193	33.2	1,278	5.8	12,328	18.4
Upper	21	23.9	18,059	27.0	519	2.9	26,108	39.0
Unknown	5	5.7	999	1.5	226	22.6	0	0.0
Total AA	88	100.0	66,947	100.0	6,814	10.2	66,947	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	12,515	3,467	5.7	27.7	6,854	54.8	2,194	17.5
Moderate	40,027	15,196	24.9	38.0	19,942	49.8	4,889	12.2
Middle	38,870	21,040	34.5	54.1	13,896	35.7	3,934	10.1
Upper	32,739	20,391	33.4	62.3	7,456	22.8	4,892	14.9
Unknown	2,083	944	1.5	45.3	682	32.7	457	21.9
Total AA	126,234	61,038	100.0	48.4	48,830	38.7	16,366	13.0
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	2,068	13.5	1,850	13.2	204	18.3	14	11.1
Moderate	4,783	31.3	4,407	31.3	335	30.1	41	32.5
Middle	4,640	30.3	4,285	30.5	323	29.0	32	25.4
Upper	3,328	21.8	3,144	22.4	148	13.3	36	28.6
Unknown	480	3.1	374	2.7	103	9.3	3	2.4
Total AA	15,299	100.0	14,060	100.0	1,113	100.0	126	100.0
Percentage of Total Businesses:				91.9		7.3		0.8
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	7	10.0	6	8.8	1	50.0	0	0.0
Moderate	17	24.3	16	23.5	1	50.0	0	0.0
Middle	15	21.4	15	22.1	0	0.0	0	0.0
Upper	31	44.3	31	45.6	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	70	100.0	68	100.0	2	100.0	0	0.0
Percentage of Total Farms:				97.1		2.9		0.0
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.								

## Savannah, GA – Borrower Distribution

Distribution of 2022 Small Business Lending By Revenue Size of Businesses							
Assessment Area: SAVANNAH, GA							
	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	
By Revenue							
\$1 Million or Less	3	42.9	47.9	741	66.1	32.7	91.9
Over \$1 Million	2	28.6		296	26.4		7.2
Revenue Unknown	2	28.6		84	7.5		0.9
Total	7	100.0		1,121	100.0		100.0
By Loan Size							
\$100,000 or Less	4	57.1	91.9	183	16.3	31.2	
\$100,001 - \$250,000	1	14.3	3.8	230	20.5	15.3	
\$250,001 - \$1 Million	2	28.6	4.3	708	63.2	53.4	
Total	7	100.0	100.0	1,121	100.0	100.0	
By Loan Size and Revenues \$1 Million or Less							
\$100,000 or Less	1	33.3		59	8.0		
\$100,001 - \$250,000	1	33.3		230	31.0		
\$250,001 - \$1 Million	1	33.3		452	61.0		
Total	3	100.0		741	100.0		
Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey							
Note: Percentages may not total 100.0 percent due to rounding.							

Distribution of 2023 Small Business Lending By Revenue Size of Businesses							
Assessment Area: SAVANNAH, GA							
	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	
By Revenue							
\$1 Million or Less	5	45.5	50.3	90	4.7	29.1	91.9
Over \$1 Million	4	36.4		1,491	77.2		7.3
Revenue Unknown	2	18.2		350	18.1		0.8
Total	11	100.0		1,931	100.0		100.0
By Loan Size							
\$100,000 or Less	6	54.5	92.3	120	6.2	33.1	
\$100,001 - \$250,000	3	27.3	3.8	500	25.9	16.2	
\$250,001 - \$1 Million	2	18.2	3.9	1,311	67.9	50.7	
Total	11	100.0	100.0	1,931	100.0	100.0	
By Loan Size and Revenues \$1 Million or Less							
\$100,000 or Less	5	100.0		90	100.0		
\$100,001 - \$250,000	0	0.0		0	0.0		
\$250,001 - \$1 Million	0	0.0		0	0.0		
Total	5	100.0		90	100.0		
Source: 2023 FFIEC Census Data 2023 Data & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey							
Note: Percentages may not total 100.0 percent due to rounding.							



## Savannah, GA – Geographic Distribution

Distribution of 2022 Small Business Lending By Income Level of Geography							
Assessment Area: SAVANNAH, GA							
Geographic Income Level	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	\$%	\$%	
Low	0	0.0	12.3	0	0.0	15.5	13.4
Moderate	2	28.6	28.3	682	60.8	29.3	31.2
Middle	1	14.3	31.1	0	0.0	27.9	30.3
Upper	3	42.9	25.4	183	16.3	23.1	22.0
Unknown	1	14.3	2.4	256	22.8	4.1	3.1
Tract-Unk	0	0.0	0.5	0	0.0	0.1	
Total	7	100.0	100.0	1,121	100.0	100.0	100.0
Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey							
Note: Percentages may not total 100.0 percent due to rounding.							

Distribution of 2023 Small Business Lending By Income Level of Geography							
Assessment Area: SAVANNAH, GA							
Geographic Income Level	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	\$%	\$%	
Low	2	18.2	10.9	180	9.3	13.3	13.5
Moderate	3	27.3	27.5	400	20.7	29.4	31.3
Middle	3	27.3	33.2	30	1.6	29.9	30.3
Upper	1	9.1	25.4	10	0.5	22.6	21.8
Unknown	2	18.2	2.6	1,311	67.9	4.7	3.1
Tract-Unk	0	0.0	0.4	0	0.0	0.1	
Total	11	100.0	100.0	1,931	100.0	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.							

## CRA APPENDIX D

### LOAN, BRANCH, AND DEPOSIT VOLUME BY ASSESSMENT AREA

The following table includes the distribution of branch offices, along with deposit and loan volume, by assessment area. The deposit volume is as of June 30, 2023, while the loan volume includes 2023 HMDA, 2022 and 2023 small business loans extended within the bank's assessment areas.

Assessment Area	Loan Volume				Branches		Deposit Volume as of 6/30/2023	
	#	%	\$ (000s)	%	#	%	\$ (000s)	%
Hilton Head Island-Bluffton, SC MSA	109	33.9%	\$42,801	49.4%	5	45.5%	\$1,088,405	61.8%
Atlanta-Sandy Springs-Alpharetta, GA	192	59.6%	\$38,316	44.2%	5	45.5%	\$629,932	35.7%
Savannah, GA	21	6.5%	\$5,600	6.4%	1	9%	\$44,195	2.5%
<b>Total</b>	322	100%	\$86,717	100%	11	100%	\$1,762,532	100.0%

## CRA APPENDIX E

### 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:** All Agencies have adopted the following language. Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

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

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

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

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

**Full-scope review:** Performance under the Lending and Community Development Tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, 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 and Community Development Tests is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

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

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

**Metropolitan area (MA):** A 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.