

# **PUBLIC DISCLOSURE**

April 18, 2024

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Glennville Bank  
Certificate Number: 9244

102 E Barnard St  
Glennville, Georgia 30427

Federal Deposit Insurance Corporation  
Division of Depositor and Consumer Protection  
Atlanta Regional Office

10 10th Street NE, Suite 800  
Atlanta, Georgia 30309-3849

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

## TABLE OF CONTENTS

INSTITUTION RATING.....	1
DESCRIPTION OF INSTITUTION.....	2
DESCRIPTION OF ASSESSMENT AREAS .....	3
SCOPE OF EVALUATION .....	4
CONCLUSIONS ON PERFORMANCE CRITERIA .....	6
DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW .....	8
NON-MSA ASSESSMENT AREA – Full-Scope Review .....	9
HINESVILLE MSA ASSESSMENT AREA – Full-Scope Review.....	16
APPENDICES.....	21
SMALL BANK PERFORMANCE CRITERIA .....	21
GLOSSARY .....	22

## INSTITUTION RATING

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

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

- The loan-to-deposit ratio is reasonable (considering seasonal variations and considering lending-related activities) given the institution's size, financial condition, and assessment areas' credit needs.
- A majority of loans are in the institution's assessment areas.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment areas.
- The distribution of borrowers reflects, given the demographics of the assessment areas, reasonable penetration among individuals of different income levels (including low- and moderate-income) and businesses and farms of different sizes.
- The institution has not received any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the Lending Test rating.

## DESCRIPTION OF INSTITUTION

Glennville Bank is a state-chartered community bank headquartered in Glennville, Tattnall County, Georgia (GA). The bank remains wholly owned by GB Bank Group, Inc., a one-bank holding company, located in Glennville, GA. Glennville Bank received a "Satisfactory" rating at its previous FDIC Community Reinvestment Act (CRA) Performance Evaluation, dated April 2, 2021, based on Interagency Small Institution Examination Procedures.

Glennville Bank continues to operate six full-service banking locations in Georgia: the main office and one branch in Tattnall County, one branch in Long County, one branch in Bulloch County, and two branches in Evans County. In addition, Glennville Bank operates a limited-service drive-thru facility in Tattnall County. Glennville Bank has not opened any additional or closed any existing banking locations, since the previous evaluation. Further, Glennville Bank has not participated in any merger or acquisition activity, since the previous evaluation.

Glennville Bank is primarily a residential lender, which has not changed since the previous evaluation. However, Glennville Bank offers a variety of loan products, including home mortgage, commercial, farm, and consumer loans to meet the needs of the communities it serves. Glennville Bank also brokers residential mortgage loans through third-party lending arrangements and offers Small Business Administration loans. Further, Glennville Bank provides a variety of deposit products, including checking, savings, money market, certificates of deposit, and individual retirement accounts and offers alternative banking services, which include online banking, mobile banking, safe deposit boxes, and access to automated teller machines (ATMs).

As of the December 31, 2023 Consolidated Reports of Condition and Income (Call Report), Glennville Bank had total assets of \$367.0 million, total loans of \$206.7 million, and total deposits of \$329.8 million. As shown in the following table, residential loans (1-4 family and multifamily residential properties) represent the largest loan category, at 42.3 percent. Farm loans (loans secured by farmland and agricultural loans) represent the second largest loan category, at 18.9 percent. Commercial loans (loans secured by non-farm/non-residential properties and commercial and industrial loans) represent the third largest loan category, at 17.4 percent. Consumer loans represent a nominal amount of the loan portfolio, at 5.2 percent.

<b>Loan Portfolio Distribution as of 12/31/2023</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction, Land Development, and Other Land Loans	23,123	11.2
Secured by Farmland	33,965	16.4
Secured by 1-4 Family Residential Properties	83,562	40.4
Secured by Multifamily (5 or more) Residential Properties	3,817	1.9
Secured by Nonfarm Nonresidential Properties	26,144	12.7
<b>Total Real Estate Loans</b>	<b>170,611</b>	<b>82.6</b>
Commercial and Industrial Loans	9,731	4.7
Agricultural Production and Other Loans to Farmers	5,236	2.5
Consumer Loans	10,932	5.2
Obligations of State and Political Subdivisions in the U.S.	10,098	4.9
Other Loans	50	<0.1
Lease Financing Receivable (net of unearned income)	-	-
Less: Unearned Income	-	-
<b>Total Loans</b>	<b>206,658</b>	<b>100.0</b>

*Source: Reports of Condition and Income*

Examiners did not identify any financial, legal, or other impediments that would limit the institution's ability to meet the credit needs of its assessment areas.

## **DESCRIPTION OF ASSESSMENT AREAS**

The CRA regulation requires each financial institution to define one or more assessment area(s) within which its CRA performance will be evaluated. The FDIC evaluates the bank's CRA performance based on its activity within the defined assessment area(s). Glennville Bank continues to have two delineated assessment areas within the Georgia that are contiguous to each other: a non-Metropolitan Statistical Area (Non-MSA) and a portion of the Hinesville, GA MSA (Hinesville MSA). The Non-MSA assessment area consists of the contiguous counties of Bulloch, Evans, and Tattnall. The Hinesville MSA assessment area consists of Long County, which is one of two counties in the Hinesville MSA.

Assessment area delineations are based on available census data. Specifically, the 2015 American Community Survey (ACS) data was used at the previous evaluation to delineate the assessment areas. In 2022, the Federal Financial Institutions Examination Council (FFIEC) released updates to the MSA and Metropolitan Divisions, states, counties, census tracts, and income-level indicators based on information collected during the 2020 United States (U.S.) Census. As a result of the 2020 U.S. Census, the number of census tracts increased and income classifications changed, which impacted the assessment areas. The following tables detail the counties, number of census tracts, and branches in each assessment area for the current evaluation. Refer to each assessment area section of this performance evaluation for additional information.

Description of Assessment Areas				
Assessment Area	Counties in Assessment Area	# of Census Tracts 2015 ACS	# of Census Tracts 2020 U.S. Census	# of Branches
Non-MSA	Bulloch, Evans, and Tattnall	20	30	5
Hinesville MSA	Long	3	5	1
<b>Total</b>		<b>23</b>	<b>35</b>	<b>6</b>

Source: Bank Data; 2015 ACS Data; and 2020 U.S. Census Data

Tract Income Level	# of Census Tracts 2015 ACS	# of Census Tracts 2020 U.S. Census
Low	2	1
Moderate	2	5
Middle	13	15
Upper	5	11
Income Level Not Assigned	1	3
<b>Total</b>	<b>23</b>	<b>35</b>

Source: Bank Data; 2015 ACS Data; and 2020 U.S. Census Data

## SCOPE OF EVALUATION

### General Information

The evaluation covers the period from the prior evaluation, dated April 2, 2021, to the current evaluation, dated April 18, 2024. Examiners used the Interagency Small Institution Examination Procedures to evaluate CRA performance. These procedures include the CRA Small Bank Lending Test. Refer to the *Appendices* section for information regarding the Lending Test.

Examiners evaluated lending data, deposit activity, and number of branches to determine the review level and weighting of the assessment areas in the overall conclusions. Examiners conducted full-scope reviews of the Non-MSA and Hinesville MSA assessment areas. Further, a significant majority of lending and deposit activity is in the Non-MSA assessment area. Therefore, examiners gave greater weight in assigning overall conclusions to the Non-MSA assessment area. The following table details Glennville Bank's loans, deposits, and branches by assessment area.

Assessment Area Breakdown of Loans, Deposits, and Branches						
Assessment Area	Loans		Deposits		Branches	
	\$(000s)	%	\$(000s)	%	#	%
Non-MSA	46,253	68.5	288,670	82.5	5	83.3
Hinesville MSA	21,291	31.5	61,410	17.5	1	16.7
<b>Total</b>	<b>67,544</b>	<b>100.0</b>	<b>350,080</b>	<b>100.0</b>	<b>6</b>	<b>100.0</b>

Source: Bank Data; FDIC Summary of Deposits (6/30/2023)

## Activities Reviewed

Examiners determined Glennville Bank's major product lines are home mortgage, small business, and small farm loans. This conclusion considered Glennville Bank's business strategy and distribution of the loan portfolio. No other loan types, such as consumer loans, represent a major product line in the loan portfolio; therefore, other loan types were not reviewed for the current evaluation.

Glennville Bank is subject to the Home Mortgage Disclosure Act (HMDA) reporting requirements. Examiners considered all home mortgage loans originated on the bank's 2022 and 2023 HMDA Loan Application Registers (LARs) as part of the lending analysis. In 2022, the bank reported 300 loans totaling \$34.3 million. In 2023, the bank reported 324 loans totaling \$29.4 million. Examiners compared Glennville Bank's home mortgage lending to aggregate data and to 2020 U.S. Census demographic data as a standard of comparison. Examiners only presented 2022 HMDA data in tables within the conclusions sections (*Geographic Distribution* performance and *Borrower Profile*), as it is the most recent year that aggregate data is available. In addition, there were no significant trends identified between 2022 and 2023 home mortgage lending that materially affected conclusions.

The CRA evaluation also includes an analysis of small business and small farm loans, as defined in the Glossary. Glennville Bank is not required to collect and report small business and small farm loan data and has elected not to do so. Therefore, the evaluation period for small business and small farm lending is from January 1, 2023 through December 31, 2023.

For small business lending, Glennville Bank originated 250 small business loans totaling \$18.9 million during the evaluation period. The universe of small business loans was evaluated for the *Assessment Area Concentration* and *Geographic Distribution* performance. Since gross annual revenues were not readily available, a sample of small business loans was evaluated for the *Borrower Profile* criterion. For small farm lending, Glennville Bank originated 104 small farm loans totaling \$8.1 million during the evaluation period. The universe of small farm loans was evaluated for the *Assessment Area Concentration*, *Geographic Distribution*, and *Borrower Profile*. Small business and small farm lending was compared to 2023 Dunn & Bradstreet (D&B) data as a standard of comparison. The following table provides the universe and samples selected for each loan category.

Loan Products Reviewed				
Loan Category	Universe		Reviewed	
	#	\$(000s)	#	\$(000s)
Home Mortgage	624	63,740	624	63,740
Small Business	250	18,930	143	9,150
Small Farm	104	8,057	104	8,057

Source: Bank Data

Examiners reviewed the number and dollar volume of home mortgage, small business, and small farm loans. While the number and dollar volume of loans are presented, examiners emphasized performance by the number of loans since it is a better indicator of the number of individuals,

businesses, and farms served. Considering the bank’s primary lending focus and lending volume, home mortgage loans received greater weight in determining overall conclusions. Small business and small farm loans received less weight. In addition, for all loan products reviewed, the *Geographic Distribution* and *Borrower Profile* performances only include loans originated inside the assessment areas.

## CONCLUSIONS ON PERFORMANCE CRITERIA

### LENDING TEST

The Lending Test is rated Satisfactory. The rating is supported by a reasonable loan-to-deposit ratio, a majority of loans originated inside the assessment areas, a reasonable dispersion of loans, and a reasonable penetration of loans to borrowers of different income levels and businesses and farms of different sizes. In addition, the bank has not received any CRA-related complaints, since the previous evaluation.

#### Loan-to-Deposit Ratio

Glennville Bank’s net loan-to-deposit ratio is reasonable (considering seasonal variations and taking into account lending related activities) given the institution’s size, financial condition, and assessment areas’ credit needs. Glennville Bank’s net loan-to-deposit ratio, calculated from Call Report data, averaged 54.9 percent over the past 12 calendar quarters from March 31, 2021 to December 31, 2023. The ratio fluctuated from a low of 50.7 percent, as of June 30, 2022, to a high of 61.6 percent, as of December 31, 2023.

A bank’s net loan-to-deposit ratio is compared to similarly-situated institutions. These institutions may operate within a bank’s assessment area(s) and/or share similar attributes, such as size, branching network, and/ or loan portfolio mix. Glennville Bank maintained a reasonable net loan-to-deposit ratio when comparing the average, current, high, and low ratios over the past 12 calendar quarters. The following table shows the average net loan-to-deposit ratio comparison data.

<b>Loan-to-Deposit (LTD) Ratio Comparison</b>		
<b>Bank</b>	<b>Total Assets as of 12/31/2023 (\$000s)</b>	<b>Average Net LTD Ratio (%)</b>
<b>Glennville Bank, Glennville, GA</b>	<b>366,987</b>	<b>54.9</b>
Bank of Alapaha, Alapaha, GA	240,975	54.2
Citizens Bank of Swainsboro, Swainsboro, GA	339,469	77.0
Citizens Bank of the South, Sandersville, GA	310,575	70.5
Georgia Community Bank, Dawson, GA	379,322	65.3
<i>Source: Reports of Condition and Income 3/31/2021 – 12/31/2023</i>		

#### Assessment Area Concentration

Glennville Bank originated a majority of loans inside the assessment areas. Specifically, by number and dollar volume, the majority of home mortgage and small business loans, and a substantial



majority of small farm loans were originated within the assessment areas. The following table details the bank's lending concentration performance.

<b>Lending Inside and Outside of the Assessment Areas</b>											
<b>Loan Category</b>	<b>Number of Loans</b>				<b>Total #</b>	<b>Dollar Amount of Loans \$(000s)</b>				<b>Total \$(000s)</b>	
	<b>Inside</b>		<b>Outside</b>			<b>Inside</b>		<b>Outside</b>			
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>		<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>		
<b>Home Mortgage</b>											
2022	213	71.0	87	29.0	300	22,598	65.7	11,786	34.3	34,384	
2023	250	77.2	74	22.8	324	23,227	79.1	6,129	20.9	29,356	
<b>Subtotal</b>	<b>463</b>	<b>74.2</b>	<b>161</b>	<b>25.8</b>	<b>624</b>	<b>45,825</b>	<b>71.9</b>	<b>17,915</b>	<b>28.1</b>	<b>63,740</b>	
<b>Small Business</b>											
2023	202	80.8	48	19.2	250	14,203	75.0	4,727	25.0	18,930	
<b>Small Farm</b>											
2023	99	95.2	5	4.8	104	7,516	93.3	541	6.7	8,057	

*Source: Bank Data*

### **Geographic Distribution**

Overall, the geographic distribution of loans reflects reasonable dispersion. Glennville Bank's reasonable geographic distribution performance in the Non-MSA assessment area supports this conclusion. The Hinesville MSA assessment area does not include low- and moderate-income geographies, and a review of the geographic distribution would not result in meaningful conclusions; therefore, the geographic distribution performance for this assessment area was not evaluated. Refer to the *Geographic Distribution* section of the Non-MSA assessment area for further comment.

### **Borrower Profile**

Overall, the distribution of loans to borrowers reflects, given the demographics of the assessment areas, reasonable penetration among individuals of different income levels (including low- and moderate-income) and businesses and farms of different sizes. Conclusions regarding Glennville Bank's performance are consistent throughout the assessment areas. Refer to the *Borrower Profile* sections of each assessment area for further comment on the bank's lending performance.

### **Response to Complaints**

Glennville Bank has not received any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the Lending Test rating.

## **DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

Glennville Bank's compliance with the laws relating to discrimination and other illegal credit practices was reviewed, including the Fair Housing Act and the Equal Credit Opportunity Act. Examiners did not identify any discriminatory or other illegal credit practices.

## NON-MSA ASSESSMENT AREA – Full-Scope Review

### DESCRIPTION OF INSTITUTION'S OPERATIONS IN NON-MSA ASSESSMENT AREA

The Non-MSA assessment area consists of Bulloch, Evans, and Tattnall counties. Glennville Bank operates five, or 83.3 percent, of its full-service branches in the Non-MSA assessment area. In Tattnall County, the bank's main office and one branch are located in middle-income census tracts. In Evans County, two branches are located in a moderate-income census tract. In Bulloch County, one branch is located in a middle-income census tract. By dollar volume, the assessment area accounts for 68.5 percent of bank-wide loans and 82.5 percent of bank-wide deposits.

The previous evaluation used the 2015 ACS data to delineate the Non-MSA assessment area. Since the previous evaluation, the income-level classifications and the number of census tracts in the assessment area changed as a result of the 2020 U.S. Census. The following table reflects the changes in tract income-level and number of census tracts.

Tract Income Level	# of Census Tracts 2015 ACS	# of Census Tracts 2020 U.S. Census
Low	2	1
Moderate	2	5
Middle	11	12
Upper	5	10
Income Not Assigned	-	2
<b>Total</b>	<b>20</b>	<b>30</b>

*Source: 2015 ACS Data and 2020 U.S. Census Data*

The FFIEC has designated certain Non-MSA middle-income census tracts as distressed and/or underserved. The distressed designation is based on high unemployment rates, poverty rates, and/or population loss. The underserved designation is based on areas being rural and remote. All 12 middle-income census tracts are designated as distressed due to high poverty rates.

#### **Economic and Demographic Data**

According to 2023 D&B data, there are 12,290 businesses and 840 farms operating in the assessment area. Of the businesses and farms, 90.8 percent and 96.6 percent, respectively, reported operating with gross annual revenues of \$1.0 million or less. Further, of the total 13,130 businesses and farms, 62.4 percent reported having four or fewer employees and 93.7 percent reported operating from a single location. The following table presents select demographic information from the 2020 U.S. Census and 2023 D&B data.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	30	3.3	16.7	40.0	33.3	6.7
Population by Geography	114,715	3.2	21.6	34.1	35.7	5.4
Housing Units by Geography	46,290	1.4	20.1	40.1	35.8	2.7
Owner-Occupied Units by Geography	23,197	0.2	12.3	42.5	44.5	0.5
Occupied Rental Units by Geography	17,121	2.7	29.9	33.0	29.1	5.4
Vacant Units by Geography	5,972	2.6	22.0	50.7	21.3	3.4
Businesses by Geography	12,290	1.1	20.7	35.5	40.8	1.8
Farms by Geography	840	0.1	12.4	48.1	39.3	0.1
Family Distribution by Income Level	25,565	20.5	13.4	20.7	45.4	0.0
Household Distribution by Income Level	40,318	23.9	13.8	18.0	44.4	0.0
Median Family Income Non-MSAs - GA		\$55,969	Median Housing Value			\$128,212
			Median Gross Rent			\$765
			Families Below Poverty Level			13.1%

*Source: 2020 U.S. Census and 2023 D&B Data; Due to rounding, totals may not equal 100.0%; (\*) The NA category consists of geographies that have not been assigned an income classification.*

According to the Standard Industrial Classification System, the services industry represents the largest percentage of businesses at 29.9 percent; followed by non-classifiable establishments at 25.6 percent; retail trade at 10.5 percent; transportation/communication at 7.2 percent; and agriculture, forestry, and fishing at 6.4 percent. According to the Georgia Department of Labor, major employers include Georgia Southern University; East Georgia Regional Medical Center; Claxton Poultry Co.; Georgia Department of Corrections; and Tattall Hospital Company, LLC.

The FFIEC’s estimated median family income levels for the Non-MSA assessment area were used to analyze home mortgage lending for the *Borrower Profile* criterion. The low-, moderate-, middle-, and upper-income ranges and categories are presented in the following table.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2022 (\$64,100)	<\$32,050	\$32,050 to <\$51,280	\$51,280 to <\$76,920	≥\$76,920
2023 (\$69,100)	<\$34,550	\$34,550 to <\$55,280	\$55,280 to <\$82,920	≥\$82,920

*Source: FFIEC*

Bulloch County’s unemployment rate fluctuated from 2021 to 2023 but remained above state averages and below national averages. Evans County’s unemployment rates decreased from 2021 to 2022 and remained constant from 2022 to 2023. Evans County’s unemployment rate remained below both the state and national averages. Tattall County’s unemployment rate fluctuated from 2021 to 2023, including fluctuating below and above state and national averages. The following

table reflects the average annual unemployment rates and trends for the assessment area counties, state and the nation.

Unemployment Rates			
Area	2021	2022	2023
	%	%	%
Bulloch County	4.1	3.4	3.5
Evans County	3.5	2.9	2.9
Tattnall County	3.2	3.0	3.4
Georgia	3.9	3.1	3.2
National Average	5.3	3.6	3.6

*Source: Bureau of Labor Statistics*

### **Competition**

There is a high level of competition for deposits within the assessment area. According to the FDIC’s June 30, 2023 *Deposit Market Share Report*, there are 14 FDIC-insured financial institutions operating 30 offices within the assessment area. Of these institutions, Glennville Bank ranked second with 11.8 percent of the total deposit market share. The top five financial institutions accounted for 70.6 percent of the total deposit market share.

There is a high level of competition for home mortgage loans within the assessment area. In 2022, aggregate data reflects 235 lenders reported 2,356 residential mortgage loans for \$506.8 million. Glennville Bank ranked second with 6.0 percent of the total market share, by number of loans. The top five lenders (by number of home mortgage loans) accounted for 27.3 percent of the total market share.

As previously noted, Glennville Bank is not required to collect or report small business or small farm loan data and has elected not to do so. Therefore, the analysis of small business and small farm loans under the Lending Test does not include comparisons to aggregate data. However, aggregate data reflects the level of demand for small business and small farm loans and is, therefore, included for context. Aggregate data for small business and small farm loans is not available for calendar year 2023. As such, 2022 aggregate data was used.

There is a high level of competition for small business loans and moderate level of competition for small farm loans within the assessment area. For small business loans, 2022 aggregate data reflects 64 lenders reported 2,031 small business loans for \$93.7 million. The top five lenders (by number of small business loans) accounted for 56.4 percent of the total market share. For small farm loans, 2022 aggregate data reflects 13 lenders reported 115 small farm loans for \$6.5 million. The top five lenders (by number of small farm loans) accounted for 75.6 percent of the total market share.

### **Community Contact**

As part of the evaluation, examiners contact third parties active in the assessment area to assist in identifying credit and community development needs. This information helps examiners determine

whether local financial institutions are responsive to those needs and to identify the credit and opportunities that are available. Examiners conducted one community contact with an organization that supports and partners with other local organizations to provide a variety of services and initiatives, such as essential community services, improving housing conditions, meeting healthcare and medical needs, and providing disaster recovery relief efforts in the assessment area. The contact indicated that there is a continued need for essential community services for the underserved, as well as a need for affordable housing for low- and moderate-income individuals. The contact stated that wages have not kept pace with the cost of living, causing distress between paying increasing rent rates and meeting essential needs. The contact indicated that local financial institutions have generally been responsive to the needs of the community and stated that there are opportunities for volunteers and partnerships with local organizations to help meet the credit and general community needs.

### **Credit Needs**

Considering demographic and economic data, examiners determined that small business and small farm loans are a primary credit need within the assessment area. The significant percentage of businesses and farms with gross annual revenues of \$1.0 million or less and the number of businesses and farms with four or fewer employees at 62.4 percent further supports the conclusion that there is a need for small business and small farm loans. In addition, affordable housing is a credit need, as 13.1 percent of families are below the poverty level, 33.9 percent of families are low- and moderate-income, and as identified by the community contact. Also, a majority of the census tracts within this assessment area are categorized as either low-, moderate-, or distressed/middle-income due to high poverty rates; therefore, there is a need for revitalization and stabilization, which further supports the need for small business and small farm lending and a need for affordable housing programs and credit.

## **CONCLUSIONS ON PERFORMANCE CRITERIA IN NON-MSA ASSESSMENT AREA**

### **LENDING TEST**

Glennville Bank demonstrated satisfactory performance under the Lending Test in the Non-MSA assessment area. The bank's overall reasonable geographic distribution and borrower profile performance supports this conclusion.

### **Geographic Distribution**

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. Reasonable home mortgage, small business, and small farm lending performance supports this conclusion.

#### *Home Mortgage Loans*

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the assessment area. The bank did not originate any home mortgage loans in the one low-income census

tract within the assessment area. However, this level of performance is reasonable given the very low percentage of owner-occupied housing units within the low-income census tract. Home mortgage lending in moderate-income census tracts was above demographics and aggregate lending performance. The following table reflects the distribution of home mortgage loans within the assessment area.

<b>Geographic Distribution of Home Mortgage Loans</b>						
<b>Tract Income Level</b>	<b>% of Owner-Occupied Housing Units</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low						
2022	0.2	0.3	0	0.0	0	0.0
Moderate						
2022	12.3	12.9	26	18.4	1,748	12.4
Middle						
2022	42.5	34.2	93	66.0	10,296	72.8
Upper						
2022	44.5	52.0	22	15.6	2,091	14.8
Not Available						
2022	0.5	0.6	0	0.0	0	0.0
<b>Totals</b>						
<b>2022</b>	<b>100.0</b>	<b>100.0</b>	<b>141</b>	<b>100.0</b>	<b>14,135</b>	<b>100.0</b>

*Source: 2020 U.S. Census; Bank Data; 2022 HMDA Aggregate Data; Due to rounding, totals may not equal 100.0%.*

### *Small Business Loans*

The geographic distribution of small business loans reflects reasonable dispersion throughout the assessment area. The bank did not originate any small business loans within the one low-income census tract within the assessment area. However, this performance is acceptable given the very low percentage of businesses that operate within the low-income census tract, which reflects very limited lending opportunity. Lending in moderate-income census tracts was below demographics; however, lending performance is mitigated given the high level of competition for small business loans with other financial institutions within the assessment area, which impacts lending opportunities. The following table reflects the distribution of small business loans within the assessment area.

Geographic Distribution of Small Business Loans					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	1.1	0	0.0	0	0.0
Moderate	20.7	16	10.7	1,274	12.4
Middle	35.5	109	73.2	6,546	63.5
Upper	40.8	23	15.4	2,490	24.1
Not Available	1.8	1	0.7	5	0.0
<b>Totals</b>	<b>100.0</b>	<b>149</b>	<b>100.0</b>	<b>10,315</b>	<b>100.0</b>

*Source: 2023 D&B Data; Bank Data; Due to rounding, totals may not equal 100.0%.*

### *Small Farm Loans*

The geographic distribution of small farm loans reflects reasonable dispersion throughout the assessment area. The bank did not originate any small farm loans within the one low-income census tract within the assessment area. However, this performance is reasonable given the extremely low percentage of farms within the low-income census tract, which reflects very limited lending opportunity. Lending in moderate-income census tracts was below, but reasonable when considering the competition level within the assessment area. The following table reflects the distribution of small farm loans within the assessment area.

Geographic Distribution of Small Farm Loans					
Tract Income Level	% of Farms	#	%	\$(000s)	%
Low	0.1	0	0.0	0	0.0
Moderate	12.4	6	6.7	723	9.9
Middle	48.1	69	76.7	5,230	71.8
Upper	39.3	15	16.7	1,330	18.3
Not Available	0.1	0	0.0	0	0.0
<b>Totals</b>	<b>100.0</b>	<b>90</b>	<b>100.0</b>	<b>7,283</b>	<b>100.0</b>

*Source: 2023 D&B Data; Bank Data Due to rounding, totals may not equal 100.0%.*

### **Borrower Profile**

The distribution of loans to borrowers reflects, given the demographics of the assessment area, reasonable penetration among individuals of different income levels (including low- and moderate-income) and businesses and farms of different sizes. Reasonable home mortgage, small business, and small farm lending performance supports this conclusion.



### Home Mortgage Loans

The distribution of home mortgage loans reflects reasonable penetration among individuals of different income levels. Home mortgage lending to low-income borrowers was below demographics, but significantly above aggregate lending performance. Home mortgage lending to moderate-income borrowers was above both demographics and aggregate lending performance. The following table reflects the penetration of home mortgage loans, by borrower income level.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	20.5	3.9	18	12.8	573	4.1
Moderate						
2022	13.4	14.3	23	16.3	1,375	9.7
Middle						
2022	20.7	22.2	18	12.8	1,161	8.2
Upper						
2022	45.4	40.0	62	44.0	6,575	46.5
Not Available						
2022	0.0	19.7	20	14.2	4,451	31.5
<b>Totals</b>						
<b>2022</b>	<b>100.0</b>	<b>100.0</b>	<b>141</b>	<b>100.0</b>	<b>14,135</b>	<b>100.0</b>

Source: 2020 U.S. Census; Bank Data; 2022 HMDA Aggregate Data; Due to rounding, totals may not equal 100.0%.

### Small Business Loans

The distribution of small business loans reflects reasonable penetration among businesses of different sizes. Lending to businesses with gross annual revenues of \$1.0 million or less (small businesses) was below, but comparable to, demographics. The following table reflects the penetration of small business loans, by businesses of different sizes.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
≤\$1,000,000	90.7	87	86.1	5,042	82.1
>\$1,000,000	2.3	6	5.9	673	11.0
Revenue Not Available	6.9	8	7.9	428	7.0
<b>Total</b>	<b>100.0</b>	<b>101</b>	<b>100.0</b>	<b>6,143</b>	<b>100.0</b>

Source: 2023 D&B Data, Bank Data; Due to rounding, totals may not equal 100.0%

### Small Farm Loans

The distribution of small farm loans reflects reasonable penetration among farms of different sizes. Lending to farms with gross annual revenues of \$1.0 million or less was slightly below, but comparable to, demographics. The following table reflects the penetration of small farm loans, by farms of different sizes.

Distribution of Small Farm Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
<=\$1,000,000	96.5	84	93.3	7,130	97.9
>\$1,000,000	2.0	2	2.2	90	1.2
Revenue Not Available	1.4	4	4.4	63	0.9
<b>Total</b>	<b>100.0</b>	<b>90</b>	<b>100.0</b>	<b>7,283</b>	<b>100.0</b>

*Source: 2023 D&B Data, Bank Data; Due to rounding, totals may not equal 100.0%.*

## HINESVILLE MSA ASSESSMENT AREA – Full-Scope Review

### DESCRIPTION OF INSTITUTION’S OPERATIONS IN HINESVILLE MSA ASSESSMENT AREA

The Hinesville MSA assessment area consists of Long County. Glennville Bank operates one, or 16.7 percent, of its full-service branches in the Hinesville MSA assessment area. The bank’s one branch in Long County is located in a middle-income census tract. By dollar volume, the assessment area accounts for 31.5 percent of bank-wide loans and 17.5 percent of bank-wide deposits.

The previous evaluation used the 2015 ACS Census data to delineate the Hinesville MSA assessment area. Since the previous evaluation, the income-level classifications and the number of census tracts in the assessment area changed as a result of the 2020 U.S. Census. The following table reflects the changes in tract income-level and number of census tracts.

Tract Income Level	# of Census Tracts 2015 ACS	# of Census Tracts 2020 U.S. Census
Low	-	-
Moderate	-	-
Middle	2	3
Upper	-	1
Income Not Assigned	1	1
<b>Total</b>	<b>3</b>	<b>5</b>

*Source: 2015 ACS Data and 2020 U.S. Census Data*

## Economic and Demographic Data

According to 2023 D&B data, there are 1,370 businesses and 79 farms operating in the assessment area. Of the businesses and farms, 95.7 percent and 100.0 percent, respectively, reported operating with gross annual revenues of \$1.0 million or less. Further, of the total 1,449 businesses and farms, 61.5 percent reported having four or fewer employees and 96.6 percent reported operating from a single location. The following table presents select demographic information from the 2020 U.S. Census and 2023 D&B data.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	5	0.0	0.0	60.0	20.0	20.0
Population by Geography	16,168	0.0	0.0	76.8	23.2	0.0
Housing Units by Geography	7,040	0.0	0.0	77.8	22.2	0.0
Owner-Occupied Units by Geography	3,768	0.0	0.0	75.1	24.9	0.0
Occupied Rental Units by Geography	2,238	0.0	0.0	81.0	19.0	0.0
Vacant Units by Geography	1,034	0.0	0.0	80.6	19.4	0.0
Businesses by Geography	1,370	0.0	0.0	80.1	19.9	0.0
Farms by Geography	79	0.0	0.0	68.4	31.6	0.0
Family Distribution by Income Level	4,182	21.4	15.5	19.2	43.8	0.0
Household Distribution by Income Level	6,006	25.8	12.6	20.6	40.9	0.0
Median Family Income MSA - 25980 Hinesville, GA MSA		\$54,993	Median Housing Value			\$132,304
			Median Gross Rent			\$787
			Families Below Poverty Level			11.6%

*Source: 2020 U.S. Census and 2023 D&B Data; Due to rounding, totals may not equal 100.0%; (\*) The NA category consists of geographies that have not been assigned an income classification.*

According to the Standard Industrial Classification System, non-classifiable establishments represent the largest percentage of businesses at 32.6 percent; followed by the services industry at 25.3 percent; transportation/communication at 10.0 percent; retail trade at 9.0 percent; and construction at 7.2 percent. According to the Georgia Department of Labor, major employers include Excelsior Ambulance Service, Inc.; Georgia Department of Labor; Foster Logging, Inc.; American Fence Company; and New Direction Employment Services, Inc.

The FFIEC's estimated median family income levels for the Hinesville MSA assessment area were used to analyze home mortgage lending for the *Borrower Profile* criterion. The low-, moderate-, middle-, and upper-income ranges and categories are presented in the following table.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2022 (\$60,700)	<\$30,350	\$30,350 to <\$48,560	\$48,560 to <\$72,840	≥\$72,840
2023 (\$59,700)	<\$29,850	\$29,850 to <\$47,760	\$47,760 to <\$71,640	≥\$71,640

Source: FFIEC

Long County’s unemployment rate was consistent from 2021 to 2022 and increased in 2023. Long County’s unemployment rate consistently remained below national averages and fluctuated below and above state averages. The following table reflects the average annual unemployment rates for the assessment area’s county, state, and nation.

Unemployment Rates			
Area	2021	2022	2023
	%	%	%
Long County	3.1	3.1	3.3
Georgia	3.9	3.1	3.2
National Average	5.3	3.6	3.6

Source: Bureau of Labor Statistics

### **Competition**

There is a low level of competition for deposits within the assessment area. According to the FDIC’s June 30, 2023 *Deposit Market Share Report*, there are two FDIC-insured financial institutions operating two offices within the assessment area. Glennville Bank ranked first with 69.2 percent of the total deposit market share.

There is a high level of competition for home mortgage loans within the assessment area. In 2022, aggregate data reflects 140 lenders reported 1,102 residential mortgage loans for \$266.1 million. Glennville Bank ranked third with 6.5 percent of the total market share, by number of loans. The top five lenders (by number of home mortgage loans) accounted for 41.7 percent of the total market share.

There is a high level of competition for small business loans and low level of competition for small farm loans within the assessment area. For small business loans, 2022 aggregate data reflects 27 lenders reported 259 small business loans for \$4.5 million. The top five lenders (by number of small business loans) accounted for 59.5 percent of the total market share. For small farm loans, 2022 aggregate data reflects one lender that reported two small farm loans for \$77,000.

### **Credit Needs**

Considering demographic and economic data, examiners determined that small business loans are a primary credit need within the assessment area. The significant percentage of businesses with gross annual revenues of \$1.0 million or less at 95.7 percent and the large number of businesses with four or fewer employees support the conclusion that there is a need for small business lending. In

addition, affordable housing is a credit need, as 11.6 percent of families are below the poverty level and 36.9 percent of families are low- and moderate-income.

## **CONCLUSIONS ON PERFORMANCE CRITERIA IN HINESVILLE MSA ASSESSMENT AREA**

### **LENDING TEST**

Glennville Bank demonstrated satisfactory performance under the Lending Test in the Hinesville MSA assessment area. The bank's overall reasonable borrower profile performance supports this conclusion.

### **Geographic Distribution**

The assessment area does not include any low- and moderate-income geographies, and a review of the Geographic Distribution criterion would not result in meaningful conclusions. Therefore, this criterion was not evaluated.

### **Borrower Profile**

The distribution of loans to borrowers reflects, given the demographics of the assessment area, reasonable penetration among individuals of different income levels (including low- and moderate-income) and businesses and farms of different sizes. Reasonable home mortgage, and small business lending performance supports this conclusion. Due to the limited number of small farm loans that were originated within this assessment area, meaningful conclusions could not be reached.

#### *Home Mortgage Loans*

The distribution of home mortgage loans reflects reasonable penetration among individuals of different income levels. Home mortgage lending to low-income borrowers was significantly below demographics, but above aggregate lending performance. Home mortgage lending to moderate-income borrowers was below demographics, but above aggregate lending performance. The following table reflects the penetration of home mortgage loans, by borrower income level.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	21.4	1.0	3	4.2	310	3.7
Moderate						
2022	15.5	3.7	7	9.7	238	2.8
Middle						
2022	19.2	24.4	8	11.1	525	6.2
Upper						
2022	43.8	43.3	34	47.2	4,353	51.4
Not Available						
2022	0.0	27.6	20	27.8	3,037	35.9
<b>Totals</b>						
2022	100.0	100.0	72	100.0	8,463	100.0

*Source: 2020 U.S. Census; Bank Data; 2022 HMDA Aggregate Data; Due to rounding, totals may not equal 100.0%.*

### Small Business Loans

The distribution of small business loans reflects reasonable penetration among businesses of different sizes. Lending to businesses with gross annual revenues of \$1.0 million or less was below, but comparable to, demographics. The following table reflects the penetration of small business loans, by businesses of different sizes.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000	95.7	37	88.1	1,586	52.7
>\$1,000,000	0.7	1	2.4	100	3.3
Revenue Not Available	3.6	4	9.5	1,321	43.9
<b>Total</b>	<b>100.0</b>	<b>42</b>	<b>100.0</b>	<b>3,007</b>	<b>100.0</b>

*Source: 2023 D&B Data, Bank Data; Due to rounding, totals may not equal 100.0%.*

### Small Farm Loans

Due to the limited number of small farm loans that were originated inside of the assessment area, meaningful conclusions could not be reached. Glennville Bank originated nine small farm loans totaling approximately \$233,000. All nine loans were extended to farms with gross annual revenues of \$1.0 million or less.

## APPENDICES

### SMALL BANK PERFORMANCE CRITERIA

#### Lending Test

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

- 1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
- 2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
- 3) The geographic distribution of the bank's loans;
- 4) The institution's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; and
- 5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

## 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.

**American Community Survey (ACS):** A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

**Area Median Income:** The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

**Assessment Area:** A geographic area delineated by the institution under the requirements of the Community Reinvestment Act.

**Census Tract:** A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

**Combined Statistical Area (CSA):** A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

**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.

**Core Based Statistical Area (CBSA):** The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

**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. Other family 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).



**FFIEC-Estimated Income Data:** The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

**Full-Scope Review:** A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g. geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (e.g. innovativeness, complexity, and responsiveness).

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

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders 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 applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

**Home Mortgage Loans:** Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

**Housing Unit:** Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

**Limited-Scope Review:** A limited-scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is often analyzed using only quantitative factors (e.g. geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

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

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

**Median Income:** The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

**Metropolitan Division (MD):** A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary

counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

**Metropolitan Statistical Area (MSA):** CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

**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 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 and less than 80 percent in the case of a geography.

**Multi-family:** Refers to a residential structure that contains five or more units.

**Nonmetropolitan Area (also known as non-MSA):** All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

**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.

**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.

**Rural Area:** Territories, populations, and housing units that are not classified as urban.

**Small Business Loan:** A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

**Small Farm Loan:** 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, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

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

**Urban Area:** All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

“Urban” excludes the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.