Community Reinvestment Notice

Under the Federal Community Reinvestment (CRA), the Federal Deposit Insurance Corporations (FDIC) evaluates our record of helping to meet the credit needs of this community consistent with safe and sound operations. The FDIC also takes this record into account when deciding on certain applications submitted by us.

Your involvement is encouraged.

You are entitled to certain information about our operations and our performance under the CRA, including, for example, information about our branches such as their locations and services provided at them; the public section of our most resent CRA Performance Evaluation, prepared by the FDIC; and comments received from the public relating to our performance in helping to meet community credit needs, as well as our responses to those comments. You may review this information today.

At least 30 days before the beginning of each quarter, the FDIC publishes a nationwide list of the banks that are scheduled for FDIC examination in that quarter. This list is available from the Regional Manager, Division of Supervision and Consumer Protection (DSC), FDIC, 1601 Bryan Street, Suite 1900, Dallas, Texas, 75201. You may send written comments about our performance in helping meet community credit needs to:

Farmers State Bank

PO Box 467

Allen, OK 74825

And FDIC Regional Director. Comments may also be submitted electronically through the FDIC website at www.fdic.gov/regulations/cra. Your letter, together with any response by us, will be considered by the FDIC in evaluating our CRA performance and may be made public.

You may ask to look at any comments received by the Regional Manager. You may also request from the FDIC Regional Manager an announcement of our applications covered by the CRA filed with the FDIC.

PUBLIC DISCLOSURE

November 29, 2021

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Farmers State Bank, Allen, Oklahoma
Certificate Number: 12758

101 East Broadway
Allen, Oklahoma 74825

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

600 North Pearl Street, Suite 700
Dallas, Texas 75201

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

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INSTITUTION 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 (AA), including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

- The loan-to-deposit (LTD) ratio is reasonable (considering seasonal variations and taking into account lending-related activities) given the institution's size, financial condition, and AA credit needs.
- A majority of loans are in the institution's AA.
- The geographic distribution of loans reflects poor dispersion throughout the AA.
- The distribution of borrowers reflects, given the demographics of the AA, reasonable penetration among businesses and farms of different sizes and individuals of different income levels.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the conclusion.

DESCRIPTION OF INSTITUTION

Farmers State Bank, Allen, Oklahoma (FSB) began operations in 1922 in Clarita, Oklahoma, and later moved to Allen, Oklahoma, in 1927 where it remains today. FSB operates from a single location in Allen and maintains private local ownership with an affiliate bank in Stonewall, Oklahoma. No affiliate activity was considered in this evaluation. FSB received a "Satisfactory" rating at its previous FDIC CRA Performance Evaluation, dated December 7, 2015, based on Small Institution Procedures.

FSB functions as a retail bank located approximately 60 miles southeast of Oklahoma City. The bank focuses primarily on agricultural and commercial lending, while also offering consumer non-real estate and home mortgage loans. In addition, bank management worked with the Small Business Administration to offer loans in conjunction with the Paycheck Protection Program (PPP) under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. FSB originated 32 PPP loans totaling $2.6 million from the program's inception to the date of this evaluation. The bank offers a variety of deposit services including checking and savings accounts, money market deposit accounts, certificates of deposit, and individual retirement accounts. Alternative banking systems include internet and mobile banking, telephone banking, and an onsite automated teller machine (ATM), and one offsite ATM. FSB did not open or close any offices, and no merger or acquisition activities occurred since the previous evaluation.

Based on Call Report data as of September 30, 2021, total assets equaled $47.8 million, total loans equaled $32.4 million, and total deposits equaled $41.2 million. Since the prior evaluation, total

assets increased by 2.0 percent, total loans decreased by 1.2 percent, and total deposits increased by 1.9 percent. The following table details the outstanding loan portfolio as of September 30, 2021.

Loan Portfolio Distribution as of 9/30/2021		
Loan Category	**$(000s)**	**%**
Construction, Land Development, and Other Land Loans	260	0.8
Secured by Farmland	1,802	5.6
Secured by 1-4 Family Residential Properties	8,044	24.8
Secured by Multifamily (5 or more) Residential Properties	0	0.0
Secured by Nonfarm Nonresidential Properties	4,131	12.8
Total Real Estate Loans	**14,237**	**44.0**
Commercial and Industrial Loans	8,386	25.9
Agricultural Production and Other Loans to Farmers	5,026	15.5
Consumer Loans	4,595	14.2
Obligations of State and Political Subdivisions in the U.S.	0	0.0
Other Loans	116	0.4
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	(9)	(<0.1)
Total Loans	**32,351**	**100.0**
Source: Reports of Condition and Income.		

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

DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more AAs for which its performance will be evaluated. FSB designated an Oklahoma Non-Metropolitan Statistical Area (MSA) AA consisting of all ten census tracts in Pontotoc County; both census tracts in Coal County; and one census tracts in southern Hughes County. The AA conforms to technical CRA regulatory requirements.

Economic and Demographic Data

The area's 13 census tracts reflect the following income designations according to the 2015 American Community Survey (ACS) data: 2 moderate-, 7 middle-, and 4 upper-income census tracts. Downtown Ada, located approximately 20 miles from the bank, contains both moderate-income census tracts. The 2010 U.S. Census previously classified the two current moderate-income census tracts as low income and two of the current upper-income tracts as middle income. The following table provides additional demographic data for the AA.

Demographic Information of the Assessment Area						
Demographic Characteristics	**#**	**Low % of #**	**Moderate % of #**	**Middle % of #**	**Upper % of #**	**NA* % of #**
Geographies (Census Tracts)	13	0.0	15.4	53.8	30.8	0.0
Population by Geography	46,202	0.0	7.8	56.4	35.7	0.0
Housing Units by Geography	20,706	0.0	10.1	55.2	34.7	0.0
Owner-Occupied Units by Geography	11,720	0.0	4.3	54.0	41.7	0.0
Occupied Rental Units by Geography	6,000	0.0	19.2	54.9	25.9	0.0
Vacant Units by Geography	2,986	0.0	14.7	60.5	24.7	0.0
Businesses by Geography	3,364	0.0	21.1	46.9	32.0	0.0
Farms by Geography	154	0.0	6.5	50.6	42.9	0.0
Family Distribution by Income Level	11,575	20.3	16.5	20.0	43.2	0.0
Household Distribution by Income Level	17,720	23.7	16.4	16.6	43.2	0.0
Median Family Income – OK Non-MSA	$51,491		Median Housing Value			$100,505
			Median Gross Rent			$626
			Families Below Poverty Level			13.8%

Source: 2015 ACS data and 2020 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.

To determine the borrowers' income designation to analyze consumer loans under the borrower profile criterion, examiners used the Federal Financial Institutions Examination Counsel's (FFIEC) estimated 2020 Estimated Median Family Income for Oklahoma Non-MSA of $57,500.

Median Family Income Ranges – Oklahoma Non-MSA				
Median Family Incomes	**Low <50%**	**Moderate 50% to <80%**	**Middle 80% to <120%**	**Upper ≥120%**
2020 ($57,500)	< $28,750	$28,750 to < $46,000	$46,000 to < $69,000	≥ $69,000
Source: FFIEC.				

According to FSB senior management, the area's major employers include Idle Time Camper Manufacturing, J & S Exchange (Oklahoma Transport Company), and The Allen Public School District. The economic outlook and unemployment levels changed significantly in April 2020 due to the national state of emergency related to the COVID-19 pandemic. According to the Federal Reserve of Saint Louis, unemployment levels increased sharply at the onset of the pandemic, declined gradually during the year, and remain above levels posted in 2019. The following table lists applicable year-end unemployment rates.

Year-End Unemployment Rates			
Area	**2018**	**2019**	**2020**
Coal County	3.2	4.3	5.8
Hughes	3.8	4.5	6.4
Pontotoc County	2.7	2.5	4.0
Oklahoma	3.2	3.0	4.5
National Average	3.9	3.6	6.7
Source: Federal Reserve of Saint Louis.			

Competition

The area reflects a moderate level of competition for financial services. According to FDIC Deposit Market Share data as of June 30, 2021, 11 financial institutions operate 18 full-service offices within the AA. Of these institutions, FSB ranked seventh with a 2.0 percent deposit market share.

Community Contact

As part of the evaluation process, examiners contact third parties active in the AA to assist in identifying the credit and community needs. This information helps determine financial institutions' responsiveness to these needs and indicates available credit opportunities.

The contact from a local business described the area's current economic conditions as good. The contact also stated that the COVID-19 pandemic had a significant adverse impact on the local community and also specified a need for affordable housing loans. Overall, the contact indicated that local financial institutions actively support the area's credit needs.

Credit Needs

Considering information obtained from the community contact, demographic data, and bank management, examiners determined that agricultural, commercial, and consumer loans all represent primary credit needs of the AA. These types of loans remain in high demand due to the overall negative economic impact to businesses and consumers from the COVID-19 pandemic.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated December 7, 2015, to the current evaluation dated November 29, 2021. To evaluate performance, examiners applied Small Institution Procedures, which include the Lending Test. The appendix lists the evaluation criteria for these procedures.

Activities Reviewed

Small Institution Procedures require examiners to determine the bank's major product lines for review. Examiners may select from among the same loan categories used for Large Bank CRA evaluations, including home mortgage, small business, small farm, and consumer loans. Examiners determined that FSB's major products include agricultural and commercial lending followed by consumer lending based on the dollar volume, number of loans, and management's business strategy. Home mortgage loans comprise nominal percentages of loans and would not materially affect conclusions or ratings; therefore, this evaluation does not include a review of this product line. The following table shows the bank's originations and purchases for the most recent calendar year by loan type.

Loans Originated or Purchased				
Loan Category	**$(000s)**	**%**	**#**	**%**
Construction and Land Development	362	2.4	2	0.4
Secured by Farmland	148	0.9	1	0.2
Secured by 1-4 Family Residential Properties	3,461	22.5	25	5.5
Multi-Family (5 or more) Residential Properties	0	0.0	0	0.0
Commercial Real Estate Loans	1,460	9.5	5	1.1
Commercial and Industrial Loans	4,470	29.0	66	14.6
Agricultural Loans	2,735	17.8	57	12.6
Consumer Loans	2,764	17.9	297	65.6
Other Loans	0	0	0	0
Total Loans	**15,400**	**100.0**	**453**	**100.0**
Source: 2020 Bank Data.				

Bank records indicate that the lending focus and product mix remained generally consistent throughout the evaluation period. For this evaluation, examiners selected samples of small business, small farm, and consumer loans originated or purchased in the period January 1, 2020, through December 31, 2020. Examiners selected a sample of 36 small business loans totaling $3.0 million taken from a universe of 71 small business loans totaling $6.0 million. Examiners also selected a sample of 36 small farm loans totaling $1.0 million taken from a universe of 58 small farm loans totaling $3.0 million. Lastly, a sample of 55 consumer loans totaling $506,000 was taken from a universe of 297 consumer loans totaling $2.8 million.

Based on the bank's lending focus, management's stated business strategy, and the universe by dollar volume of products reviewed, examiners applied slightly more weight to small business loans, slightly less weight to small farm loans, and the least weight to consumer loans. Examiners used 2020 D&B data as the standard of comparison for analyzing small farm and small business loans, and 2015 ACS data served as the standard of comparison for consumer loans.

While the evaluation presents both the number and dollar volume of loans, examiners emphasized performance by number of loans since the number of loans better indicates the number of farms, businesses, and consumers served.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

FSB demonstrated satisfactory performance regarding the Lending Test. A reasonable record regarding borrower profile, a reasonable LTD ratio, and a majority of loans originated inside the AA support this conclusion. FSB demonstrated poor performance regarding geographic distribution; however, this did not adversely impact the overall rating.

Loan-to-Deposit Ratio

The LTD ratio is reasonable (considering seasonal variations and taking into account lending-related activities) given the institution's size, financial condition, and AA's credit needs. The LTD ratio, calculated from Call Report data, averaged 86.4 percent over the past 24 calendar quarters from December 31, 2015, to September 30, 2021, representing a slight increase from the 81.3 percent average net LTD ratio reflected at the prior evaluation. The ratio ranged from a high of 98.5 percent as of June 30, 2016, to a low of 81.3 percent as of June 30, 2018.

Examiners identified and listed in the following table one comparable institution operating within the bank's AA and reporting a similar asset size and lending emphasis. As seen in the table, the bank's average net LTD ratio rises higher, but remains within a reasonable range of the comparable institution.

Loan-to-Deposit Ratio Comparison		
Bank	**Total Assets as of 9/30/2021 ($000s)**	**Average Net LTD Ratio (%)**
Farmers State Bank, Allen, OK	**47,802**	**86.4**
Oklahoma Heritage Bank, Roff, OK	94,731	76.6
Source: Reports of Condition and Income 12/31/2015 - 9/30/2021.		

Assessment Area Concentration

A majority of loans are in the institution's AA. The following table shows that a majority of small farm, small business, and consumer loans (by both number and dollar) originated inside the AA supports this conclusion.

Lending Inside and Outside of the Assessment Area										
Loan Category	**Number of Loans**				**Total #**	**Dollars Amount of Loans $(000s)**				**Total $(000s)**
	Inside		**Outside**			**Inside**		**Outside**		
	#	**%**	**#**	**%**		**$**	**%**	**$**	**%**	
Small Business	28	77.8	8	22.2	36	2,739	91.1	267	8.9	3,006
Small Farm	32	88.9	4	11.1	36	845	88.0	116	12.0	961
Consumer	49	89.1	6	10.9	55	314	62.1	192	37.9	506
Source: 2020 Bank Data.										

Geographic Distribution

The geographic distribution of loans reflects poor dispersion throughout the AA. A very poor record for small business lending, a poor record for consumer loans, and a reasonable record for consumer loans support this conclusion. Examiners considered the loan product types reviewed relative to the available comparative data and any performance context issues when arriving at this conclusion. This factor only considered loans granted inside the AA.

Small Business Loans

The geographic distribution of small business loans reflects very poor dispersion throughout the AA. The following table shows the bank did not originate any small business loans in moderate-income census tracts, which notably lags demographic data by 21.1 percentage points and reflects very poor performance.

Geographic Distribution of Small Business Loans					
Tract Income Level	**% of Businesses**	**#**	**%**	**$(000s)**	**%**
Low	0.0	0	0.0	0	0.0
Moderate	21.1	0	0.0	0	0.0
Middle	46.9	27	96.4	2,733	98.7
Upper	32.0	1	3.6	6	1.3
Not Available	0.0	0	0.0	0	0.0
Totals	**100.0**	**28**	**100.0**	**2,739**	**100.00**
Source: 2020 D&B Data; 2020 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 AA. Although FSB did not originate any small farm loans in moderate-income census tracts as evidenced in the following table, the D&B Data indicates a low level of opportunity, with only 6.5 percent of farms located in these tracts. Consequently, this reflects reasonable performance.

Geographic Distribution of Small Farm Loans					
Tract Income Level	**% of Farms**	**#**	**%**	**$(000s)**	**%**
Low	0.0	0	0.0	0	0.0
Moderate	6.5	0	0.0	0	0.0
Middle	50.6	30	93.8	689	81.5
Upper	42.9	2	6.2	156	18.5
Not Available	0.0	0	0.0	0	0.0
Totals	**100.0**	**32**	**100.0**	**845**	**100.0**
Source: 2020 D&B Data; 2020 Bank Data. Due to rounding, totals may not equal 100.0%.					

Consumer Loans

The geographic distribution of consumer loans reflects poor dispersion throughout the AA. As seen in the following table, the bank did not originate any loans in moderate-income census tracts, which lags demographic data by 9.3 percentage points, and reflects poor performance.

Geographic Distribution of Consumer Loans					
Tract Income Level	**% of Households**	**#**	**%**	**$(000s)**	**%**
Low	0.0	0	0.0	0	0.0
Moderate	9.3	0	0.0	0	0.0
Middle	54.3	46	93.9	290	93.9
Upper	36.4	3	6.1	24	6.1
Not Available	0.0	0	0.0	0	0.0
Totals	**100.0**	**49**	**100.0**	**314**	**100.0**
Source: 2015 ACS data; 2020 Bank Data. Due to rounding, totals may not equal 100.0%.					

Borrower Profile

The distribution of borrowers reflects reasonable penetration among businesses and farms of different sizes and individuals of different income levels. Reasonable records regarding small business and consumer loans outweighs an excellent record regarding small farm loans to support this conclusion. Examiners considered the loan product types reviewed relative to the available comparative data and any performance context issues when arriving at this conclusion. This factor only considered loans granted inside the AA.

Small Business Loans

The distribution of borrowers reflects reasonable penetration among businesses of different sizes. The following table shows that the bank originated more than seven out of every ten small business loans to businesses with gross annual revenues of $1 million or less, which reflects reasonable performance.

Distribution of Small Business Loans by Gross Annual Revenues					
Gross Revenue Level	**% of Businesses**	**#**	**%**	**$(000s)**	**%**
< $100,000	51.4	12	42.9	347	12.7
$100,000 - $249,999	19.4	4	14.3	57	2.1
$250,000 - $499,999	5.5	2	7.1	583	21.3
$500,000 - $1,000,000	4.4	4	14.3	400	14.6
Subtotal <= $1,000,000	**80.7**	**22**	**78.6**	**1,387**	**50.7**
>$1,000,000	4.7	5	17.8	1,313	47.9
Revenue Not Available	14.7	1	3.6	39	1.4
Total	**100.0**	**28**	**100.0**	**2,739**	**100.0**
Source: 2020 D&B Data; 2020 Bank Data. Due to rounding, totals may not equal 100.0%.					

Small Farm Loans

The distribution of borrowers reflects excellent penetration among farms of different sizes. The following table shows that the bank originated a significant majority of its small farm loans to farms with gross annual revenue of $1 million or less, which evidences excellent performance.

Distribution of Small Farm Loans by Gross Annual Revenues					
Gross Revenue Level	**% of Farms**	**#**	**%**	**$(000s)**	**%**
< $100,000	78.6	21	65.6	292	34.5
$100,000 - $249,999	16.9	5	15.6	362	42.8
$250,000 - $499,999	2.6	2	6.3	11	1.3
$500,000 - $1,000,000	1.9	3	9.4	105	12.5
Subtotal <= $1,000,000	**100.0**	**31**	**96.9**	**770**	**91.1**
>$1,000,000	0.0	1	3.1	75	8.9
Revenue Not Available	0.0	0	0.0	0	0.0
Total	**100.0**	**32**	**100.0**	**845**	**100.0**
Source: 2020 D&B Data; 2020 Bank Data. Due to rounding, totals may not equal 100.0%.					

Consumer Loans

The distribution of borrowers reflects reasonable penetration among individuals of different income levels. Reasonable performance to moderate-income borrowers not sufficiently uplifted by excellent performance to low-income borrowers supports this conclusion. As seen in the following table, the bank's lending to low-income borrowers exceeds demographic data by 13.0 percentage points, which evidences excellent performance. To moderate-income borrowers, the bank's performance rises slightly above the demographic data and reflects reasonable performance.

Distribution of Consumer Loans by Borrower Income Category					
Borrower Income Level	**% of Households**	**#**	**%**	**$(000s)**	**%**
Low	23.7	18	36.7	88	28.1
Moderate	16.4	10	20.4	93	29.6
Middle	16.6	10	20.4	58	18.4
Upper	43.2	11	22.5	75	23.9
Not Available	0.0	0	0.0	0	0.0
Totals	**100.0**	**49**	**100.0**	**314**	**100.0**
Source: 2015 ACS data; 2020 Bank Data. Due to rounding, totals may not equal 100.0%.					

Response to Complaints

The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the rating.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

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

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 bank'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 bank 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.

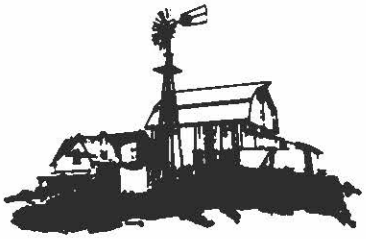
Small Business Loan: A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of $1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial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



Farmers State Bank

P.O. Box 467 • Allen, Oklahoma 74825 • 580/857-2402

FARMERS STATE BANK
ALLEN, OKLAHOMA

List of Facilities

Farmers State Bank 201 E Broadway P O Box 467 Allen, Oklahoma 580-857-2402	Main Office and Drive-Thru Facility Census Tract 0886.0

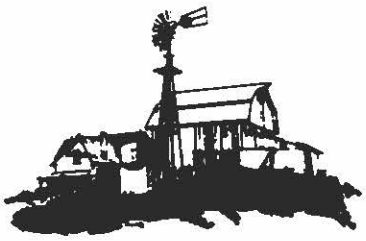
Farmers State Bank serves its assessment area of Pontotoc, Hughes and Coal Counties excluding the area north of the South Canadian River.

Farmers State Bank
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FARMERS STATE BANK
ALLEN, OKLAHOMA

2025 LOAN TO DEPOSIT RATIOS

1ST Quarter-January 1, 2025 – March 31, 2025	88.16%
2nd Quarter – April 1, 2025 – June 30, 2025	83.38%
3rd Quarter – July 1, 2025 – September 30, 2025	87.46%
4th Quarter – October 1, 2025 – December 31, 2025	87.40%



Farmers State Bank

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SERVICES OFFERED

Types of accounts

Regular Checking

Requires $100.00 to open account

No minimum or maximum number of checks per account

No service charge on student accounts or senior accounts (persons over 62 years)

Statement printed and mailed or available by e-statement

Internet Banking Bill Pay $3.95 per month up to 10 bill pays
$.55 each bill pay exceeding the 10

Insufficient Funds on Bill Pay items charged $25.00 per item

Overdraft/Paid Insufficient Funds items charged $20.00 per item

Return Insufficient Funds Charge $20.00 per item

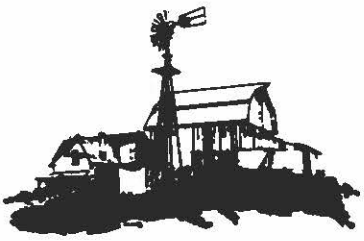
Overdraft Charge $1.00 per day

Stop Payment Fee $15.00 (per request)

Dormant accounts fee $10.00 per month

Graduated service charge as follows:

Balance over $700.00 - No Charge
$699.00 - $600.00 - $5.00 service fee per month
$599.00 - $500.00 - $6.00 service fee per month
$499.00 and below - $7.00 service fee per month



Farmers State Bank

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Now Accounts

$1,500.00 required to open account

Minimum balance of $1,500.00 to receive disclosed Annual Percentage Yield

Interest accrued on daily balance and paid monthly

No minimum or maximum number of checks per account

Maintenance fee of $5.00 if daily balance falls below $1,500.00 any day of the month (62 and over still subject to Fee)

NOW Accounts are not eligible for business or corporate customers.

Savings Accounts

$100.00 minimum deposit required

Interest accrued on daily balance and paid quarterly

Three withdrawals allowed per quarter free of charge

Excessive withdrawal charge $1.00 per withdrawal

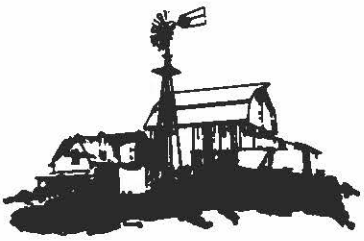
Certificates of Deposit

$1,000.00 minimum deposit required

Interest accrued on daily balance and paid quarterly

Excessive withdrawal penalties as follows:

1 month – year----------1 month accrued interest
Over 1 year----------3 months interest



Farmers State Bank

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Loans

Consumer Loans
Agricultural Loans
Commercial Loans
Home Mortgage Loans
Home Improvement Loans

Miscellaneous Services Offered

Social Security and government assistance checks cashed free

Bank reconciliation performed for customers at no charge

Churches provided free checking accounts

Direct Deposits

Faxes received for customers at no charge

Outgoing faxes $1.00 per page

Notary services provided to customers at no charge

Phone transfers at no charge

Internet Banking

Bill Pay

Xerox copies .25 per page

Money Orders $2.00 and Cashier Checks $3.00 each

Online Banking www.fsballen.com



Farmers State Bank

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Continued Services Offered

Account Research (per hour/$25 minimum) $25.00

Account Activity Printout (each) $1.00

Garnishments/Levies (per item) $10.00

Incoming wires (each) $10.00

Outgoing wires (each) $15.00

Coupon Book $5.00

Replacement Coupon Book $5.00

Night Deposit Bag with lock $25.00

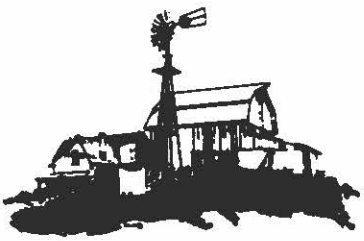
Night Deposit Bag (zipper only) $5.00

Notary Fee (non-customer) $5.00

Outgoing/Incoming Collection $10.00

ATM and Debit Cards

ATM/Debit card monthly fee----------$1.00 per card
Foreign ATM transaction fee----------$2.00 each
Additional or Replacement card fee----------$10.00 each
Proprietary ATM transaction fee----------No Charge



Farmers State Bank

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Safe Deposit Boxes available as follows:

Box Size	Annual Rent
3 X 5	$15.00
4 X 5	$18.00
5 x 5	$20.00
3 X 10	$30.00
5 X 10	$40.00
10 X 10	$50.00

Replacement Safe Deposit Key ..... Drill cost + $20.00

Night drop bags $50.00
($25.00 for the bag and $25.00 for the service. Comes with 2 keys)

Penny Pincher Checks
Bound on the side

50 - $1.75 + postage
100 - $3.25 + postage
200 - $6.50 + postage

2021 FFIEC Census Report - Summary Census Demographic Information
State: 40 - OKLAHOMA (OK)
County: 029 - COAL COUNTY
Tract: All Tracts

State Code	County Code	Tract Code	Tract Income Level	Distressed or Underserved Tract	Tract Median Family Income %	2021 FFIEC Est.MSA/MD non-MSA/MD Median Family Income	2021 Est. Tract Median Family Income	2015 Tract Median Family Income	Tract Population	Tract Minority %	Minority Population	Owner Occupied Units	1- to 4-Family Units
40	029	3881.00	Middle	Yes*	97.45	$58,100	$56,618	$50,179	3910	27.75	1085	1060	1933
40	029	3882.00	Middle	Yes*	93.37	$58,100	$54,248	$48,080	1902	31.60	601	598	856
40	029	9999.99	Middle	No	94.96	$58,100	$55,172	$48,899	5812	29.01	1686	1658	2789

* Will automatically be included in the 2022 Distressed or Underserved Tract List

2021 FFIEC Census Report - Summary Census Demographic Information
State: 40 - OKLAHOMA (OK)
County: 063 - HUGHES COUNTY
Tract: All Tracts

State Code	County Code	Tract Code	Tract Income Level	Distressed or Underserved Tract	Tract Median Family Income %	2021 FFIEC Est.MSA/MD non-MSA/MD Median Family Income	2021 Est. Tract Median Family Income	2015 Tract Median Family Income	Tract Population	Tract Minority %	Minority Population	Owner Occupied Units	1- to 4-Family Units
40	063	4846.00	Moderate	No	76.10	$58,100	$44,214	$39,186	2774	41.74	1158	687	1327
40	063	4847.00	Upper	No	120.01	$58,100	$69,726	$61,797	2471	25.17	622	810	1234
40	063	4848.00	Moderate	No	66.01	$58,100	$38,352	$33,990	3949	48.11	1900	548	1167
40	063	4849.00	Middle	Yes*	95.83	$58,100	$55,677	$49,348	2256	28.95	653	600	1248
40	063	4850.00	Middle	Yes*	100.38	$58,100	$58,321	$51,691	2335	19.91	465	707	1212
40	063	9999.99	Middle	No	92.61	$58,100	$53,806	$47,689	13785	34.81	4798	3352	6188

* Will automatically be included in the 2022 Distressed or Underserved Tract List

2021 FFIEC Census Report - Summary Census Demographic Information
State: 40 - OKLAHOMA (OK)
County: 123 - PONTOTOC COUNTY
Tract: All Tracts

FFIEC Federal Financial Institutions Examination Council

State Code	County Code	Tract Code	Tract Income Level	Distressed or Underserved Tract	Tract Median Family Income %	2021 FFIEC Est.MSA/MD non-MSA/MD Median Family Income	2021 Est. Tract Median Family Income	2015 Tract Median Family Income	Tract Population	Tract Minority %	Minority Population	Owner Occupied Units	1- to 4-Family Units
40	123	0886.00	Middle	No	108.13	$58,100	$62,824	$55,679	5169	32.79	1695	1433	2053
40	123	0887.00	Upper	No	127.24	$58,100	$73,926	$65,521	2324	25.82	600	729	1064
40	123	0888.00	Upper	No	120.46	$58,100	$69,987	$62,031	7210	30.98	2234	2190	3095
40	123	0889.00	Middle	No	89.01	$58,100	$51,715	$45,833	4490	38.24	1717	611	1664
40	123	0890.00	Middle	No	102.51	$58,100	$59,558	$52,788	4065	32.64	1327	1055	1596
40	123	0891.00	Moderate	No	53.65	$58,100	$31,171	$27,625	2060	37.33	769	356	1079
40	123	0892.00	Moderate	No	55.38	$58,100	$32,176	$28,516	1552	45.30	703	148	777
40	123	0893.00	Middle	No	112.83	$58,100	$65,554	$58,100	4202	32.51	1366	863	1792
40	123	0895.98	Upper	No	121.19	$58,100	$70,411	$62,404	5019	29.03	1457	1417	1951
40	123	0896.00	Upper	No	120.93	$58,100	$70,260	$62,273	1964	23.22	456	553	828

* Will automatically be included in the 2022 Distressed or Underserved Tract List