

PUBLIC DISCLOSURE

March 27, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Guaranty Bank and Trust Company
Certificate Number: 15953

210 N. Hayden Street
Belzoni, Mississippi 39038

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 areas (AAs), including low- and moderate-income (LMI) neighborhoods, in a manner consistent with its resources and capabilities.

The Lending Test is rated Satisfactory.

- 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 AAs' credit needs.
- A majority of loans are inside the institution's AAs.
- The geographic distribution of loans reflects reasonable dispersion throughout the AAs.
- The distribution of borrowers reflects, given the demographics of the AAs, reasonable penetration among individuals of different income levels (including LMI) and businesses and farms of different sizes.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the Lending Test rating.

The Community Development Test is rated Satisfactory.

The institution's community development (CD) performance demonstrates adequate responsiveness to CD needs in its AAs through community development loans (CDLs), qualified investments (QIs), and CD services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for CD in the institution's AAs.

DESCRIPTION OF INSTITUTION

Guaranty Bank and Trust Company maintains its headquarters in Belzoni, Mississippi, and operates 25 offices throughout northern and central Mississippi and the southwestern corner of Tennessee. Guaranty Capital Corporation, Inc., a one-bank holding company, also located in Belzoni, wholly owns the bank. The bank operates with one subsidiary, Peoples Financial Services of the Delta, Inc. The institution received a Satisfactory rating at its previous FDIC Performance Evaluation dated January 27, 2020, based on Intermediate Small Institution Examination Procedures.

The bank received the Community Development Financial Institution (CDFI) designation. A certified CDFI represents a specialized financial institution that works in underserved markets. CDFIs typically provide a unique range of financial products and services in economically distressed target markets. A CDFI certification is a designation conferred by the CDFI Fund and is

a requirement for accessing financial and technical award assistance from the CDFI fund through the CDFI Program.

The bank focuses on commercial lending, but offers a full line of other standard loan products such as consumer, home mortgage, and agricultural loans. Deposits products include personal and business checking and savings accounts. Alternative delivery systems include automated teller machines (ATMs), internet banking, bill pay, funds transfer, person-to-person payments, mobile banking, and digital payments network Zelle.

Guaranty Bank and Trust Company also offered loans through the Paycheck Protection Program (PPP). The Coronavirus Aid, Relief and Economic Security Act, signed into law on March 27, 2020, established the temporary PPP. The SBA, with support from the Department of the Treasury, implements the PPP, which provides loans to encourage qualified businesses that meet certain standards established by the SBA to retain employees through the COVID-19 Pandemic and includes loan forgiveness subject to certain conditions.

Guaranty Bank and Trust Company originated 2,847 PPP loans totaling approximately \$202.5 million during the evaluation period. In addition, the bank extended loan terms, typically for 3 months at a time with multiple extensions possible, to eligible loan customers, providing financial relief for impacted borrowers.

As of December 31, 2022, assets totaled approximately \$1.9 billion, total deposits equaled \$1.4 billion, and total loans equaled \$1.1 billion. Since the previous evaluation, on average per year, total assets increased 74.4 percent, net loans increased 52.2 percent, and total deposits increased 82.0 percent. As reflected in the following table, commercial loans represent the largest loan category, followed by agricultural loans and home mortgage loans.

Loan Portfolio Distribution as of December 31, 2022		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	160,779	10.3
Secured by Farmland	82,619	13.1
Secured by 1-4 Family Residential Properties	156,459	15.2
Secured by Multifamily (5 or more) Residential Properties	47,871	4.6
Secured by Nonfarm Nonresidential Properties	406,341	30.9
Total Real Estate Loans	854,069	74.1
Commercial and Industrial Loans	172,991	12.7
Agricultural Production and Other Loans to Farmers	78,199	9.6
Consumer Loans	9,859	1.5
Obligations of State and Political Subdivisions in the U.S.	17,463	0.5
Other Loans	9,892	1.7
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	(3,927)	(0.2)
Total Loans	1,138,546	100.0
<i>Source: Reports of Condition and Income. Due to rounding, totals may not equal 100.0.</i>		

Examiners did not identify any financial, legal, or other impediments that affect the bank's ability to meet its AAs' credit needs.

DESCRIPTION OF ASSESSMENT AREAS

Guaranty Bank and Trust Company operates in two rated areas: the Memphis Multi-State Metropolitan Statistical Area (MSA) and the State of Mississippi. The CRA requires each financial institution to define one or more AAs in which examiners will evaluate its CRA performance. Guaranty Bank and Trust Company designated the following three AAs: 1) Memphis Multi-State MSA AA, 2) Mississippi Non-MSA AA, and 3) Jackson, Mississippi MSA AA. See the following table for details. Each AA conforms to CRA regulatory requirements.

Description of Assessment Areas			
Assessment Area	Counties	# of CTs	# of Branches
Memphis Multi-State MSA	Fayette and Shelby in Tennessee DeSoto and Tate in Mississippi	307	8
Mississippi Non MSA	Bolivar, Calhoun, Grenada, Humphreys, Lafayette, Leflore, Oktibbeha, Panola, Sunflower, Warren, and Washington	110	16
Jackson MSA	Madison	26	1
<i>Source: Bank records.</i>			

SCOPE OF EVALUATION

General Information

This evaluation covers the period from January 27, 2020, the date of the previous evaluation, to the current evaluation dated March 27, 2023. To assess performance, examiners applied Intermediate Small Institution Examination Procedures, which include the Lending Test and Community Development Test. The appendix lists the tests' criteria.

As seen in the following table, the institution originated a slight majority of its home mortgage, small business, and small farm lending, by dollar volume, in the Memphis Multi-State MSA. However, the State of Mississippi holds a notable majority of deposits and branch offices as well as a slight majority of loans by number. Therefore, examiners placed slightly more weight on performance in the State of Mississippi when arriving at overall conclusions.

Rated Area Breakdown of Loans, Deposits, and Branches						
Rated Area	Loans		Deposits		Branches	
	% of #	% of \$	\$(000s)	%	#	%
Memphis Multi-State MSA	41.6	55.2	422,271	29.0	8	32.0
State of Mississippi	58.4	44.8	1,036,235	71.0	17	68.0
Totals	100.0	100.0	1,458,506	100.0	25	100.0
<i>Source: Bank Data; FDIC Summary of Deposits (6/30/2022). Due to rounding, totals may not equal 100.0.</i>						

Activities Reviewed

Intermediate Small Institution Examination Procedures require examiners to determine the bank's major product lines for review. As an initial matter, examiners may select from among the same loan categories used for CRA Large Institution evaluations: home mortgage, small business, small farm, and consumer loans. The following table shows Guaranty Bank and Trust Company's lending activity for 2022.

Loans Originated or Purchased				
Loan Category	\$(000s)	%	#	%
Construction and Land Development	218,587	22.4	279	9.2
Secured by Farmland	41,667	4.3	108	3.6
Secured by 1-4 Family Residential Properties	122,920	12.6	603	19.8
Multi-Family (5 or more) Residential Properties	25,351	2.6	24	0.8
Commercial Real Estate Loans	231,253	23.7	240	7.9
Commercial and Industrial Loans	180,020	18.4	871	28.6
Agricultural Loans	138,365	14.2	329	10.8
Consumer Loans	6,357	0.7	577	19.0
Other Loans	11,987	1.2	11	0.4
Total Loans	976,507	100	3,042	100
<i>Source: 2022 Bank data. Due to rounding totals may not equal 100.0.</i>				

Considering the dollar volume and number of loans originated during 2022 as well as management's stated business strategy, examiners determined the major product lines consist of commercial, home mortgage, and agricultural loans. Consumer loans do not represent a major product line and thus would not materially affect any conclusions or ratings. Therefore, this evaluation does not include a review of them. Bank records indicate that the lending focus and product mix remained generally consistent throughout the evaluation period.

Guaranty Bank and Trust Company reports home mortgage loans pursuant to the Home Mortgage Disclosure Act (HMDA). Therefore, this evaluation includes a review of the following home mortgage loans reported on the bank's 2020, 2021, and 2022 HMDA Loan Application Registers (LARs).

- 2020 – 541 home mortgage loans totaling \$98.4 million,
- 2021 – 596 home mortgage loans totaling \$146.2 million, and
- 2022 – 443 home mortgage loans totaling \$158.6 million.

As a standard of comparison, examiners used available aggregate data for the home mortgage loans. Examiners did not identify any significant trends in the performance among the years reviewed that would materially affect conclusions or the ratings. Therefore, this evaluation presents 2021 home mortgage loan data, which represents the most recent year for which aggregate data exists as of this evaluation date. However, the Assessment Area Concentration table presents all years of home mortgage loan data reviewed.

This evaluation also includes a review of the universe of 1,018 small business loans totaling approximately \$117.9 million and the universe of 336 small farm loans totaling approximately \$40.0 million originated or purchased in 2022, which represents the most recent completed calendar year of available data. D&B data for 2022 served as a standard of comparison for small business and small farm loans.

Considering both the dollar volume and number of loans originated inside the AAs among the universes of products reviewed, examiners applied the most weight to small business loans when drawing conclusions. Home mortgage loans received less weight, and small farm loans received the least weight.

Additionally, for the Community Development Test, the scope of the evaluation includes data provided by management on CDLs, QIs, and CD services since the prior evaluation to the current evaluation date. The evaluation of QIs also considers the book value of prior period QIs that remain outstanding as of this evaluation's date.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Guaranty Bank and Trust Company demonstrated a satisfactory record regarding the Lending Test. Satisfactory records in both rated areas support this conclusion.

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 AAs' credit needs. For the 12 quarters since the previous evaluation, the bank recorded a 77.0 percent average, net LTD ratio. The average, net LTD ratio ranged from a low of 66.3 percent on December 31, 2021, to a high of 80.8 percent on September 30, 2020, which demonstrates a slight downward trend until 2022.

Examiners identified two similarly situated institutions that reflect similar asset sizes, branching structures, and lending emphases. As shown in the following table, Guaranty Bank and Trust Company's average, net LTD ratio remains within a reasonable range of the comparable institutions.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 12/31/2022 (\$000s)	Average, Net LTD Ratio (%)
Guaranty Bank and Trust Company– Belzoni, Mississippi	1,881,339	77.0
The Citizens National Bank, Meridian, Mississippi	1,678,732	72.3
Planters Bank and Trust, Indianola, Mississippi	1,896,312	56.5
<i>Source: Reports of Condition and Income (3/31/2020 – 12/31/2022).</i>		

Assessment Area Concentration

A majority of loans are in the institution's AAs. The following table shows Guaranty Bank and Trust Company originated a majority of home mortgage, small business, and small farm loans, by number and dollar volume, within its AAs.

Lending Inside and Outside of the Assessment Areas										
Loan Category	Number of Loans					Dollar Amount of Loans \$(000s)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%	#	\$	%	\$	%	\$(000s)
Home Mortgage										
2020	475	87.8	66	12.2	541	86,016	87.4	12,399	12.6	98,414
2021	523	87.8	73	12.2	596	123,938	84.8	22,283	15.2	146,222
2022	368	83.1	75	16.9	443	106,527	67.2	52,064	32.8	158,591
Subtotal	1,366	86.5	214	13.5	1,580	316,481	78.5	86,746	21.5	403,227
Small Business	890	87.4	128	12.6	1,018	98,956	84.0	18,918	16.0	117,874
Small Farm	253	75.3	83	24.7	336	28,839	72.2	11,131	27.8	39,970
Source: 2020, 2021, and 2022 HMDA Reported Data; 2022 Bank Data. Due to rounding, totals may not equal 100.0.										

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the AAs. Reasonable performance in the State of Mississippi outweighs poor performance in the Memphis Multi-State MSA to support this conclusion. Examiners focused on lending performance in LMI census tracts when arriving at conclusions.

Borrower Profile

The distribution of borrowers reflects, given the demographics of the AAs, reasonable penetration among individuals of different income levels (including LMI) and businesses and farms of different sizes. Reasonable records in both rates areas support this conclusion. Examiners focused on lending to LMI borrowers and to businesses and farms with gross annual revenue (GAR) of \$1 million or less when arriving at conclusions. The bank's participation in the SBA's PPP as discussed previously and small dollar loan program, discussed below, further supports a reasonable record.

Small Dollar Loan Program

The bank displayed a willingness to extend 27 small dollar loans totaling \$32,000, exhibiting responsiveness in helping to meet credit needs of the community. Small dollar loans offer a low-cost credit product to avoid reliance on non-financial lenders' high-cost debt.

The terms of the bank's New Horizon Small Loan Program include loan amounts up to \$2,000, loan terms up to 24 months, and half of the loan proceeds in a savings account as collateral.

Underwriting criteria includes credit score flexibility for loan amounts of \$1,000 or less. Pricing criteria include interest rates allowable within state guidelines and no loan fees. Eligibility

requirements include the successful completion of a financial education course.

Response to Complaints

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

COMMUNITY DEVELOPMENT TEST

Guaranty Bank and Trust Company's CD performance demonstrates adequate responsiveness to CD needs in its AAs through CDLs, QIs, and CD services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for community development in the institution's AAs. A satisfactory rating in State of Mississippi outweighs a needs to improve rating in the Memphis Multi-State MSA to support this conclusion. The bank also demonstrates adequate leadership in responding to lending, investment, and service opportunities. Examiners also considered broader statewide activities since Guaranty Bank and Trust Company effectively met the CD needs of its AAs.

Community Development Loans

The following table shows that during the review period, the bank granted 28 CDLs totaling \$20.1 million. The dollar volume represents 1.4 percent of average total assets of \$1.4 billion and 2.1 percent of average net loans of \$944.7 million over the 12 quarters since the prior evaluation. These levels decreased from the 3.4 percent of average assets and 6.3 percent of average net loans recorded at the prior evaluation.

The CDLs demonstrate responsiveness to the AAs' identified needs by providing loans to municipalities and businesses that revitalize or stabilize LMI and middle-income distressed and/or underserved census tracts. Additionally, the bank originated CDLs in all four of the CD categories, addressing a wide variety of CD needs. The following table illustrates the CDLs by year and purpose.

Community Development Lending										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2020 (Partial)	0	0	3	3,975	0	0	6	3,212	9	7,187
2021	1	1,169	2	922	0	0	8	7,548	11	9,639
2022	4	1,965	1	457	1	530	2	333	8	3,285
2023 (YTD)	0	0	0	0	0	0	0	0	0	0
Total	5	3,134	6	5,354	1	530	16	11,093	28	20,111
<i>Source: Bank Data (1/27/2020-3/27/2023).</i>										

The following table illustrates the CDLs by rated area and purpose.

Community Development Lending by Rated Area										
Rated Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Memphis Multi-State MSA	0	0	0	0	1	530	3	1,950	4	2,480
State of Mississippi	5	3,134	6	5,354	0	0	13	9,143	24	17,631
Total	5	3,134	6	5,354	1	530	16	11,093	28	20,111
Source: Bank Data (1/27/2020-3/27/2023).										

Qualified Investments

The following table shows the bank made use of 102 QIs totaling \$29.4 million. By dollar volume, the QIs represent approximately 2.1 percent of average total assets and 9.5 percent of average total securities of \$309 million since the prior evaluation. This reflects a decline compared to 3.7 percent of average total assets and 24.6 percent of average total securities reported at the prior evaluation. The QIs showed good responsiveness to all categories of identified needs, with emphasis on revitalize and stabilize activities. The following table illustrates the QIs by year and purpose.

Qualified Investments										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	0	0	3	2,365	0	0	12	10,961	15	13,326
2020 (Partial)	0	0	3	2,050	0	0	18	5,895	21	7,945
2021	4	1,970	1	2,635	0	0	1	1,000	6	5,605
2022	1	1,000	0	0	0	0	4	705	5	1,705
2023 (YTD)	0	0	0	0	0	0	0	0	0	0
Subtotal	5	2,970	7	7,050	0	0	35	18,561	47	28,581
Qualified Grants & Donations	8	154	42	684	1	1	4	9	55	848
Total	13	3,124	49	7,734	1	1	39	18,570	102	29,429
Source: Bank Data (1/27/2020-3/27/2023).										

The following table lists the QIs by rated area and purpose.

Qualified Investments by Rated Area										
Rated Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Memphis Multi-State MSA	4	1,052	5	128	0	0	0	0	9	1,180
State of Mississippi	9	2,072	44	7,606	1	1	39	18,570	93	28,249
Total	13	3,124	49	7,734	1	1	39	18,570	102	29,429
<i>Source: Bank Data (1/27/2020-3/27/2023).</i>										

Community Development Services

The following table shows the bank provided 147 CD services since the prior evaluation. All of the services involved bank employees using their financial or technical expertise to benefit organizations or projects with a primary purpose consistent with CD. Further, the bank provided CD services in all four CD categories, with a majority benefiting community services targeted to LMI individuals, showing the bank's responsiveness to a significant CD need.

Community Development Services					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2020 (Partial)	3	13	3	1	20
2021	4	27	4	1	36
2022	6	39	8	4	57
2023 (YTD)	6	22	5	1	34
Total	19	101	20	7	147
<i>Source: Bank Data (1/27/2020-3/27/2023).</i>					

The following table shows the CD services by rated area and purpose.

Community Development Services by Rated Area					
Rated Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
Memphis Multi-State MSA	6	21	1	0	28
State of Mississippi	13	80	19	7	119
Total	19	101	20	7	147
<i>Source: Bank Data (1/27/2020-3/27/2023).</i>					

Guaranty Bank and Trust Company operates one branch and one ATM in a low-income census tract as well as seven branches and eight ATMs in moderate-income census tracts. The bank's hours of operations and provision of products and services remain generally consistent among all branches. In addition, of the bank's 31 ATMs, 20 are Interactive Teller Machines (ITMs), providing teller

access through video chat for extended hours of operation during weeknights and Saturdays. Furthermore, during the evaluation period, the bank opened a full-service branch in a distressed and underserved middle-income census tract located in Derma, Mississippi.

The bank also provides alternative banking services, noted previously, that allow individuals to access banking services remotely at any time through a computer, mobile device, or the bank's mobile application. In addition, Guaranty Bank and Trust Company offers online applications for mortgage and non-mortgage loans through electronic devices and capability to upload financial documents through a secure portal, which proved essential during the pandemic's effect on branch accessibility. The branch and ATM distribution combined with the alternative delivery systems help avail the bank's services to LMI individuals and geographies across all AAs.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners did not identify any evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs. Therefore, this consideration did not affect the institution's overall CRA rating.

STATE OF MISSISSIPPI

CRA RATING FOR THE STATE OF MISSISSIPPI: SATISFACTORY

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE STATE OF MISSISSIPPI

The State of Mississippi includes two AAs: 1) Mississippi Non-MSA AA and 2) Jackson MSA AA. Refer to the following table and the individual AAs' sections for details.

Description of Assessment Areas			
Assessment Area	Counties	# of CTs	# of Branches
Jackson MSA	Madison	26	1
Mississippi Non-MSA	Bolivar, Calhoun, Grenada, Humphreys, Lafayette, Leflore, Oktibbeha, Panola, Sunflower, Warren, and Washington	110	16

Source: Bank records and 2020 U.S. Census data.

SCOPE OF EVALUATION – STATE OF MISSISSIPPI

Examiners performed a full-scope review of the Mississippi Non-MSA AA after considering the significant portion of the institution's lending and deposit activity as well as the number of branches in the State of Mississippi. Examiners performed a limited-scope review of the Jackson MSA AA.

Assessment Area Breakdown of Loans, Deposits, and Branches – State of Mississippi						
Assessment Area	Loans		Deposits		Branches	
	\$(000s)	%	\$(000s)	%	#	%
Jackson MSA	10,791	5.4	3	0.2	1	5.9
Mississippi Non-MSA	188,709	94.6	1,297	99.8	16	94.1
Totals	199,500	100.0	1,300	100.0	17	100.0

Source: Bank Data; FDIC Summary of Deposits (6/30/2022). Due to rounding, totals may not equal 100.0.

The lending emphasis and product weighting as well as the scope of the Community Development Test in the State of Mississippi remains consistent with that discussed under the Scope of Evaluation in the Institution section.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE STATE OF MISSISSIPPI

LENDING TEST

Guaranty Bank and Trust Company demonstrated a satisfactory record in the State of Mississippi regarding the Lending Test. Reasonable records regarding geographic distribution and borrower profile support this conclusion. Both AAs demonstrated consistent Lending Test performance.

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the State of Mississippi. A reasonable record in the Mississippi Non-MSA AA outweighs a poor record in the Jackson MSA AA to support this conclusion.

Borrower Profile

The distribution of borrowers reflects, given the demographics of the AAs, reasonable penetration among individuals of different income levels (including LMI) and businesses and farms of different sizes. Reasonable records in both AAs support this conclusion.

COMMUNITY DEVELOPMENT TEST

Guaranty Bank and Trust Company demonstrated a satisfactory record in the State of Mississippi regarding the Community Development Test. Guaranty Bank and Trust Company's CD performance demonstrates adequate responsiveness to CD needs in the State of Mississippi through CDLs, QIs, and CD services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for CD in this rated area. Satisfactory records in both AAs support this conclusion.

Community Development Loans

The following table shows that since the prior evaluation the bank granted 24 CDLs totaling \$17.6 million in this rated area. The current dollar amount equates to 87.7 percent of the bank's total CDLs, which rises higher than the 44.8 percent of the total dollar volume of loans generated by this rated area. The bank's volume of CDLs demonstrates a good level of responsiveness in addressing three of the four CD purposes, which all reflect identified needs. The table illustrates the CDLs by year and purpose in the State of Mississippi.

Community Development Lending State of Mississippi										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2020 (Partial)	0	0	3	3,975	0	0	4	2,127	7	6,102
2021	1	1,169	2	922	0	0	7	6,683	10	8,774
2022	4	1,965	1	457	0	0	2	333	7	2,755
2023 (TYD)	0	0	0	0	0	0	0	0	0	0
Total	5	3,134	6	5,354	0	0	13	9,143	24	17,631
<i>Source: Bank Data (1/27/2020-3/20/2023). Totals include 3 CDLs totaling \$2.4 million benefitting the statewide area and not attributed to a specific AA.</i>										

The following point highlights CDLs benefitting the statewide area:

- **Revitalize or Stabilize** – The bank granted three loans totaling approximately \$2.4 million to fund the expansion of a business that offers home health and hospice services into five additional counties, including LMI areas, within the State of Mississippi.

Qualified Investments

Guaranty Bank and Trust Company made use of 93 QIs totaling \$28.2 million in the State of Mississippi. The current dollar amount equates to 96.0 percent of the bank's total QIs, compared to 71.0 percent of the deposits generated by this rated area. The QIs demonstrated an appropriate level of responsiveness primarily toward addressing revitalize and stabilize efforts followed by community services, both of which represent needs of the rated area.

The following table shows the QIs by year and purpose in the State of Mississippi.

Qualified Investments State of Mississippi										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	0	0	3	2,365	0	0	12	10,961	15	13,326
2020 (Partial)	0	0	3	2,050	0	0	18	5,895	21	7,945
2021	2	1,970	1	2,635	0	0	1	1,000	4	5,605
2022	0	0	0	0	0	0	4	705	4	705
2023 (YTD)	0	0	0	0	0	0	0	0	0	0
Subtotal	2	1,970	7	7,050	0	0	35	18,561	44	27,581
Qualified Grants & Donations	7	102	37	556	1	1	4	9	49	668
Total	9	2,072	44	7,606	1	1	39	18,570	93	28,249
<i>Source: Bank Data (1/27/2020-3/20/2023). Totals include 17 QIs totaling \$7.1 million benefitting the statewide area and not attributed to a specific AA.</i>										

The following points highlight QIs in the statewide area:

- **Community Services** – The bank made four donations totaling \$43,612 to a non-profit organization with a mission to promote financial literacy, economic inclusion, and consumer protection, with an emphasis on the underbanked and underserved population in the State of Mississippi.
- **Revitalize or Stabilize** – The bank invested in six revenue bonds totaling \$2.3 million for an infrastructure improvement project located in high poverty and LMI census tracts within the State of Mississippi.

Community Development Services

The following table shows that the bank provided 119 CD services in the State of Mississippi, which represents 81.0 percent of total CD services. Comparatively, this rated area contains 68.0 percent of the bank's total branches. The CD services demonstrate responsiveness in all four CD categories, particularly addressing an identified need of community services targeted to LMI individuals.

Community Development Services State of Mississippi					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2020 (Partial)	2	12	3	1	18
2021	3	20	4	1	28
2022	4	29	8	4	45
2023 (YTD)	4	19	4	1	28
Total	13	80	19	7	119
<i>Source: Bank Data (1/27/2020-3/27/2023).</i>					

The bank operates one branch and one ATM in a low-income census tract as well as six branches and eight ATMs in moderate-income census tracts in this rated area. The bank's alternative delivery systems in this rated area remain consistent with those discussed under CD services in the Institution section.

MISSISSIPPI NON-MSA AA – Full-Scope Review

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE MISSISSIPPI NON-MSA AA

The Mississippi Non-MSA AA includes all of Bolivar, Calhoun, Grenada, Humphreys, Lafayette, Leflore, Oktibbeha, Panola, Sunflower, Warren, and Washington counties. The bank operates 16 branches through this AA, one of which is new since the prior evaluation. The AA's CTs reflected the following income designations according to the 2015 ACS data: 7 low-, 30 moderate-, 30 middle-, 23 upper-income census tracts as well as 1 census tract with no income designation. As of

the 2020 U.S. Census Data, the census tracts reflect the following income designations: 11 moderate-, 24 moderate-, 46 middle-, 27 upper-income census tracts as well as 2 census tracts with no income designation.

FEMA declared counties in this AA as a major disaster area due to severe storms and the COVID-19 pandemic during the majority of the evaluation period as well as Hurricane Ida during October 2021. A total of 34 census tracts received the distressed designation while 32 census tracts received the underserved designation during the evaluation period.

Economic and Demographic Data

The following table contains select demographic data of the Mississippi Non-MSA AA based on 2020 U.S. Census data and 2022 D&B data.

Demographic Information of the Assessment Area Mississippi Non-MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	110	10.0	21.8	41.8	24.5	1.8
Population by Geography	358,428	8.0	21.4	40.9	28.6	1.2
Housing Units by Geography	165,183	8.8	20.8	42.2	27.3	1.0
Owner-Occupied Units by Geography	79,413	6.3	17.7	44.4	30.2	1.4
Occupied Rental Units by Geography	54,168	11.2	24.8	38.7	24.4	0.8
Vacant Units by Geography	31,602	10.8	21.4	42.2	25.0	0.6
Businesses by Geography	27,471	9.7	19.1	37.2	33.1	0.9
Farms by Geography	1,732	9.1	15.0	50.3	25.2	0.5
Family Distribution by Income Level	80,893	25.7	16.4	17.1	40.8	0.0
Household Distribution by Income Level	133,581	29.3	14.3	15.0	41.3	0.0
Median Family Income – Mississippi Non-MSA	\$53,003		Median Housing Value			\$126,775
			Median Gross Rent			\$732
			Families Below Poverty Level			19.1%
Source: 2020 U.S. Census Data and 2022 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.						

Examiners used the applicable FFIEC-updated median family income levels to analyze home mortgage loans under the borrower profile criterion. The following table contains median family income data for the Non-MSA of Mississippi for 2021.

Median Family Income Ranges – Mississippi Non-MSA				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2021 (\$51,400)	<\$25,700	\$25,700 to <\$41,120	\$41,120 to <\$61,680	≥\$61,680
<i>Source: FFIEC.</i>				

According to the Mississippi Department of Agriculture and Commerce, the Mississippi Non-MSA’s main industry of agriculture employed 17.4 percent of the state’s workforce in 2022. Based on 2020 business data from the U.S. Census Business Dynamics Statistics, the counties in the AA created approximately 951 jobs in 2020, with most jobs in the lower paying industries of accommodation/food service and retail trade.

Unemployment rates increased substantially in most areas across the nation starting in April 2020 from the COVID-19 pandemic, and some local government orders closed nonessential businesses. The unemployment rate in December 2022 for a majority of the counties in the Non-MSA AA rose higher than the 4.0 percent for the State of Mississippi and the 3.5 percent for the United States.

The South Delta Public Use Microdata Area (PUMA) includes Bolivar, Sunflower, Humpheys, and Washington counties. The North Central PUMA includes Grenada and LeFlore counties. According to the Census Reporter, based on 2021 ACS data, the median housing value for the South Delta PUMA at \$89,400 and the North Central PUMA at \$86,200 fell below that of the State of Mississippi at \$145,600 and significantly below the United States at \$281,400. Furthermore, homeownership in the South Delta PUMA grew slightly from 54.2 percent to 55.7 percent; however, this remains significantly below the State of Mississippi’s homeownership rate at 68.2 percent in 2019.

The Census Reporter, based on 2021 ACS data, indicates that the median household income for the South Delta PUMA at \$32,179 and the North Central PUMA at \$34,273 are the lowest of any PUMAs in the State of Mississippi. The poverty rates for the South Delta PUMA at 32.9 percent and the North Central PUMA at 30.3 percent are substantial high compared to the State of Mississippi at 19.4 percent and the United States at 12.8 percent.

Competition

The area contains a moderate level of competition from other chartered banks based on its population. Based on the June 30, 2022, FDIC Deposit Market Share Report, 31 institutions operate 156 offices throughout the AA and serve about 2,298 people on average. Guaranty Bank and Trust Company ranks 4th in market share by capturing 9.9 percent of the area’s deposits. However, non-banks, such as fintech companies, credit unions, mortgage companies, and finance companies heighten the competition level with many offering the remote delivery of products through digital devices.

Credit and Community Development Needs and Opportunities

The Mississippi Non-MSA AA created varied loan for several products. Considering information from bank management and demographic and economic information, examiners determined that home mortgage, small business, and small farm loans all reflect credit needs.

Demographic data showing that 42.1 percent of the area's families considered LMI suggests a need for activities that benefit projects or organizations that provide community services targeted to these families. In addition, 31.8 percent of census tracts designated LMI, the distressed and underserved census tracts, and the disaster declarations suggest a need for activities that revitalize or stabilize qualifying geographies. The ratio of median housing value to incomes reflects a significant need for affordable housing, and the extremely high poverty rate indicates a need for financial literacy education. Lastly, a need exists for workforce programs that develop skills for higher pay jobs, particularly in advanced and emerging industries.

Given that the COVID-19 pandemic affected borrowers in a variety of ways, a significant retail banking service need exists for payment accommodations that facilitate the borrower's ability to work through the immediate impact of the pandemic. A financial inclusion need exists for increased access to consumer and commercial retail banking services to LMI borrowers and census tracts. Additionally, a retail banking service need exists for digital products with evolving features and technology built in to improve the customer's financial wellness, especially with the younger population.

CONCLUSIONS ON PERFORMANCE CRITERIA IN MISSISSIPPI NON-MSA AA

LENDING TEST

Guaranty Bank and Trust Company demonstrated a satisfactory Lending Test record in the Mississippi Non-MSA AA. Reasonable performance regarding geographic distribution and borrower profile support this conclusion.

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the Mississippi Non-MSA AA. Guaranty Bank and Trust Company's reasonable performance for small business loans and small farm loans outweighs excellent performance for home mortgage loans to support this conclusion.

Small Business Loans

The geographic distribution of small business loans reflects reasonable dispersion throughout the Mississippi Non-MSA AA. Reasonable performance in LMI census tracts supports this conclusion. Guaranty Bank and Trust Company's small business lending performance in low-income census tracts rises above demographic data by 4.2 percentage points, reflecting reasonable performance. In moderate-income census tracts, the bank's lending performance slightly exceeds demographic data by 1.3 percentage points, also reflecting reasonable performance.

Geographic Distribution of Small Business Loans Mississippi Non-MSA AA					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	9.7	82	13.9	5,441	12.7
Moderate	19.1	120	20.4	6,444	15.0
Middle	37.2	222	37.8	15,365	35.7
Upper	33.1	152	25.8	15,051	35.0
Not Available	0.9	12	2.0	697	1.6
Totals	100.0	588	100.0	42,998	100.0
<i>Source: 2022 D&B Data; 2022 Bank Data. Due to rounding, totals may not equal 100.0.</i>					

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects excellent dispersion throughout the Mississippi Non-MSA AA. Excellent performance in moderate-income census tracts outweighs reasonable performance in low-income census tracts to support this conclusion.

Guaranty Bank and Trust Company's home mortgage lending performance in low-income census tracts rises slightly above aggregate data by 1.7 percentage points, reflecting reasonable performance. In moderate-income census tracts, the bank's lending performance exceeds aggregate data by 11.8 percentage points, reflecting an excellent level. Examiners place more weight on performance in moderate-income census tracts given the greater percentage of owner-occupied housing units as well as higher aggregate performance, evidencing a greater opportunity to lend.

Geographic Distribution of Home Mortgage Loans Mississippi Non-MSA AA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	3.1	0.7	5	2.4	306	0.6
Moderate	21.0	10.1	46	21.9	10,064	21.2
Middle	38.9	36.8	98	46.7	17,788	37.5
Upper	36.9	52.1	61	29.0	19,219	40.6
Not Available	0.1	0.4	0	0.0	0	0.0
Totals	100.0	100.0	210	100.0	47,377	100.0
<i>Source: 2015 ACS Data; 2021 HMDA LAR and Aggregate Data. Due to rounding, totals may not equal 100.0.</i>						

Small Farm Loans

The geographic distribution of small farm loans reflects reasonable dispersion in the Mississippi Non-MSA AA. Reasonable performance in LMI census tracts supports this conclusion. Guaranty Bank and Trust Company's small farm lending performance in low-income census tracts exceeds demographic data by 4.8 percentage points, reflecting reasonable performance. In moderate-income census tracts, the lending performance exceeds demographic data by 4.2 percentage points, also reflecting reasonable performance.

Geographic Distribution of Small Farm Loans Mississippi Non-MSA AA					
Tract Income Level	% of Farms	#	%	\$(000s)	%
Low	9.1	29	13.9	3,620	14.3
Moderate	15.0	40	19.2	4,956	19.6
Middle	50.3	105	50.5	12,958	51.2
Upper	25.2	31	14.9	3,321	13.1
Not Available	0.5	3	1.4	432	1.7
Totals	100.0	208	100.0	25,287	100.0
<i>Source: 2022 D&B Data; 2022 Bank Data. Due to rounding, totals may not equal 100.0.</i>					

Borrower Profile

The distribution of borrowers reflects, given the demographics of the AA, reasonable penetration among individuals of different income levels (including LMI) and businesses and farms of different sizes. Reasonable performance for small business, home mortgage, and small farm loans supports this conclusion.

Small Business Loans

The distribution of borrowers reflects reasonable penetration among businesses of different sizes in the Mississippi Non-MSA AA. A reasonable record of lending to businesses with GAR of \$1 million or less supports this conclusion.

The following table shows the bank originated three out of every ten small business loans to businesses with GAR of \$1 million or less, which typically reflects poor performance. However, a majority of the bank's loans did not have revenue information available, which makes this conclusion less meaningful. Upon considering an additional analysis of only the loans with revenue information available, the bank made more than six out of every ten small business loans to businesses with GAR of \$1 million or less, reflecting reasonable performance.

Detailed Distribution of Small Business Loans by Gross Annual Revenues Mississippi Non-MSA AA					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
< \$100,000	46.3	8	16.0	647	18.6
\$100,000 - \$249,999	28.6	2	4.0	64	1.8
\$250,000 - \$499,999	5.5	1	2.0	53	1.5
\$500,000 - \$1,000,000	2.9	4	8.0	248	7.1
Subtotal <= \$1,000,000	83.3	15	30.0	1,012	29.2
>\$1,000,000	3.4	9	18.0	1,421	40.9
Revenue Not Available	13.2	26	52.0	1,038	29.9
Total	100.0	50	100.0	3,471	100.0
<i>Source: 2022 D&B Data, 2022 Bank Data. Due to rounding, totals may not equal 100.0.</i>					

Home Mortgage Loans

The distribution of borrowers reflects reasonable penetration among individuals of different income levels in the Mississippi Non-MSA AA. Reasonable performance to LMI borrowers supports this conclusion. Guaranty Bank and Trust Company's home mortgage lending performance to low-income borrowers slightly exceeds aggregate data by 2.2 percentage points, reflecting reasonable performance. For moderate-income borrowers, the bank's lending performance also remains within a reasonable range of aggregate data.

Distribution of Home Mortgage Loans by Borrower Income Level Mississippi Non-MSA AA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	26.4	2.6	10	4.8	670	1.4
Moderate	15.3	9.1	21	10.0	2,028	4.3
Middle	15.9	14.9	20	9.5	2,227	4.7
Upper	42.5	54.7	98	46.7	18,911	39.9
Not Available	0.0	18.7	61	29.0	23,541	49.7
Totals	100.0	100.0	210	100.0	47,377	100.0
<i>Source: 2015 ACS Data; 2021 HMDA LAR and Aggregate Data. Due to rounding, totals may not equal 100.0.</i>						

Small Farm Loans

The distribution of borrowers reflects reasonable penetration among farms of different sizes in the Mississippi Non-MSA AA. Examiners focused on the institution's lending to farms with GAR of \$1 million or less when arriving at this conclusion. The following table shows the bank originated four out of every ten small farm loans to farms reporting GAR of \$1 million or less, which typically reflects poor performance. However, the high percentage of loans with revenues not available skews the data and makes this conclusion less meaningful. A further analysis of only the loans with revenue information available shows the bank originated 76.9 percent of loans to businesses with GAR of \$1 million or less, reflecting reasonable performance.

Detailed Distribution of Small Farm Loans by Gross Annual Revenues Mississippi Non-MSA AA					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
< \$100,000	56.9	7	14.3	680	11.5
\$100,000 - \$249,999	21.7	5	10.2	613	10.4
\$250,000 - \$499,999	9.7	3	6.1	669	11.3
\$500,000 - \$1,000,000	6.3	5	10.2	1,626	27.5
Subtotal <= \$1,000,000	94.6	20	40.8	3,588	60.7
>\$1,000,000	4.0	6	12.2	1,155	19.5
Revenue Not Available	1.4	23	46.9	1,167	19.7
Total	100.0	49	100.0	5,910	100.0
<i>Source: 2022 D&B Data, 2022 Bank Data. Due to rounding, totals may not equal 100.0.</i>					

COMMUNITY DEVELOPMENT TEST

Guaranty Bank and Trust Company demonstrated a satisfactory record in the Mississippi Non-MSA AA regarding the Community Development Test. Guaranty Bank and Trust Company's CD performance demonstrates adequate responsiveness to CD needs in the Mississippi Non-MSA AA through CDLs, QIs, and CD services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for CD in the AA.

Community Development Loans

The following table shows that since the prior evaluation, the bank granted 20 CDLs totaling \$14.6 million in the Mississippi Non-MSA AA. The current dollar amount equates to 82.7 percent of the total CDLs in the State of Mississippi (or 95.8 percent of CDLs less statewide activities), compared to the AA generating 94.6 percent of the total loans in the State of Mississippi.

The following table illustrates the CDLs by year and purpose in the Mississippi Non-MSA AA.

Community Development Lending Mississippi Non-MSA AA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2020 (Partial)	0	0	3	3,975	0	0	3	622	6	4,597
2021	1	1,169	2	922	0	0	4	5,144	7	7,235
2022	4	1,965	1	457	0	0	2	333	7	2,755
2023 (YTD)	0	0	0	0	0	0	0	0	0	0
Total	5	3,134	6	5,354	0	0	9	6,099	20	14,587
<i>Source: Bank Data (1/27/2020-3/27/2023).</i>										

The following lists examples of CDLs in the Mississippi Non-MSA AA.

- **Affordable Housing** – The bank originated four loans totaling \$1.9 million funding three different apartment complexes in the AA that qualify for HUD's Low Income Housing Tax Credit program, with rents affordable to LMI individuals.
- **Community Services** – The bank originated a \$2.0 million loan funding the operations for a hospital located in an AA county comprised primarily of LMI census tracts. The hospital provides an essential community healthcare service to benefit LMI areas and residents.

Qualified Investments

The following table shows the bank made use of 75 QIs totaling nearly \$20.2 million in the Mississippi Non-MSA AA. The dollar amount equates to 71.4 percent of the total QIs in the State of Mississippi (or 95.3 percent of QIs less statewide activities), compared to the 99.8 percent of deposits in the State of Mississippi located in this AA.

The following table illustrates the QIs by year and purpose in the Mississippi Non-MSA AA.

Qualified Investments Mississippi Non-MSA AA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	0	0	3	2,365	0	0	11	10,461	14	12,826
2020 (Partial)	0	0	2	1,050	0	0	10	1,820	12	2,870
2021	1	500	1	2,635	0	0	0	0	2	3,135
2022	0	0	0	0	0	0	4	705	4	705
2023 (YTD)	0	0	0	0	0	0	0	0	0	0
Subtotal	1	500	6	6,050	0	0	25	12,986	32	19,536
Qualified Grants & Donations	5	102	33	521	1	1	4	9	43	633
Total	6	602	39	6,571	1	1	29	12,995	75	20,169
Source: Bank Data (1/27/2020-3/27/2023).										

The following lists examples of QIs in the Mississippi Non-MSA AA.

- **Community Services** – The bank made 11 donations totaling \$415,000 to various foundations that support a charitable organization that provides educational services to children eligible for free or reduced lunch programs, which provides educational community services targeted to LMI individuals.
- **Revitalize or Stabilize** – The bank invested \$705,000 in public improvement bonds for repairing and improving buildings, roadways and sidewalks, and drainage and sewage systems. The bonds help to revitalize and stabilize an area primarily comprised of LMI census tracts by attracting and retaining businesses and residents in the area.

Community Development Services

During the evaluation period, bank employees provided 118 instances of financial expertise or technical assistance to various CD-related organizations in the Mississippi Non-MSA AA. This represents 99.2 percent of total CD services in the State of Mississippi, compared to this AA containing 94.1 percent of the branches in the State of Mississippi.

The following table illustrates the CD services by year and purpose in the Mississippi Non-MSA AA.

Community Development Services Mississippi Non-MSA AA					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2020 (Partial)	2	12	3	1	18
2021	3	20	4	1	28
2022	4	28	8	4	44
2023 (YTD)	4	19	4	1	28
Total	13	79	19	7	118
<i>Source: Bank Data (1/27/2020-3/27/2023).</i>					

The following lists examples of CD services in the Mississippi Non-MSA AA.

- **Affordable Housing** – A bank employee serves on a board for an organization that provides low-income housing and grants for affordable housing to LMI individuals in the area.
- **Community Services** – Bank employees provided financial literacy on several occasions to various schools where a majority of students received free or reduced lunches and to other organizations targeted to LMI individuals.

Guaranty Bank and Trust Company operates one branch and one ATM in a low-income census tract as well as six branches and eight ATMs in moderate-income census tracts within this AA. The bank also opened a full-service branch in a distressed and underserved middle-income census tract during the evaluation period. The bank's alternative delivery systems in this AA remain consistent with those discussed previously under the CD services in the Institution section.

OTHER ASSESSMENT AREAS – Limited-Scope Review

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE LIMITED-SCOPE ASSESSMENT AREA

The following table summarizes the conclusions for the AA reviewed using limited-scope examination procedures. Examiners drew conclusions regarding the institution's CRA performance from reviewing available facts and data, including performance figures, aggregate lending data comparisons, and demographic information.

Assessment Area	Lending Test	Community Development Test
Jackson MSA	Consistent	Consistent

The following section contains a summary of Guaranty Bank and Trust Company's operations and activities in the Jackson MSA AA. Refer to the appendix for the demographic data.

Jackson MSA AA

The bank operates one branch in the Jackson MSA AA. The bank originated and engaged in the following activities in the AA during the review period.

Activity	#	\$ (000s)
2022 Small Business Loans	26	2,728
2021 Home Mortgage Loans	8	2,524
Community Development Loans	1	632
Investments and Donations	1	1,000
CD Services	1	-
<i>Source: 2022 Bank Data; 2021 HMDA LAR; Bank Data on CD activities (1/27/2020-3/27/2023).</i>		

Geographic Distribution

Home Mortgage Loans

Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																	2021		
	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
Assessment Area:	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Jackson MSA	8	2,524	100.0	6,730	3.2	0.0	0.4	5.7	0.0	1.5	15.6	12.5	8.4	75.4	87.5	89.7	0.0	0.0	0.0
Source: 2015 ACS Data; 2021 HMDA LAR and Aggregate Data. Due to rounding, totals may not equal 100.0.																			

Small Business Loans

Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography												2022	
	Total Loans to Small Businesses			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts	
Assessment Area:	#	\$	% of Total	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Jackson MSA	26	2,728	100.0	1.8	0.0	7.4	0.0	22.0	0.0	68.8	100.0	0.0	0.0
Source: 2022 D&B Data; 2022 Bank Data. Due to rounding, totals may not equal 100.0.													

Borrower Profile

Home Mortgage Loans

Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																	2021		
	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
Assessment Area:	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Jackson MSA	8	2,524	100.0	6,730	15.5	12.5	2.4	11.7	0.0	8.7	15.8	12.5	16.2	56.9	37.5	52.8	0.0	37.5	20.0
Source: 2015 ACS Data; 2021 HMDA LAR and Aggregate Data. Due to rounding, totals may not equal 100.0.																			

Small Business Loans

Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues										2022	
	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
Assessment Area:	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Jackson MSA	26	2,728	100.0	--	87.9	0.0	--	3.7	0.0	8.4	100.0
Source: 2022 D&B Data; 2022 Bank Data. Due to rounding, totals may not equal 100.0.											

MEMPHIS MULTI-STATE MSA – Full-Scope Review

CRA RATING FOR THE MEMPHIS MULTI-STATE MSA: NEEDS TO IMPROVE

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Needs to Improve

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE MEMPHIS MULTI-STATE MSA

The Memphis Multi-State MSA rated area includes only one AA, the Memphis Multi-State MSA AA. This AA includes all of DeSoto and Tate counties in Mississippi and all of Fayette and Shelby counties in Tennessee. The bank operates eight total full-service branches among both states comprising this AA. The counties within the AA represent four of the seven counties that comprise the Memphis Arkansas-Mississippi-Tennessee MSA. Although this reflects the bank’s first evaluation of this rated area, the addition of the branches and counties in Tennessee occurred in November 2019 as the result of a merger that occurred prior to the last performance evaluation.

Economic and Demographic Data

According to the 2015 ACS data, the AA contained 65 low-, 55 moderate-, 60 middle-, and 84 upper-income census tracts as well as 6 census tracts without an income designation. Changes resulting from the 2020 U.S. Census reveal that the AA now contains 51 low-, 78 moderate-, 73 middle-, 93 upper-income census tracts as well as 12 census tracts without an income designation. FEMA declared the counties in this AA as a major disaster area due to the severe storms and the COVID-19 pandemic during the majority of the evaluation period as well as Hurricane Ida during October 2021. The following table contains select demographic data of the Memphis Multi-State MSA AA based on 2020 U.S. Census data and 2022 D&B data.

Demographic Information of the Assessment Area Memphis Multi-State MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	307	16.6	25.4	23.8	30.3	3.9
Population by Geography	1,185,112	12.1	24.5	26.5	35.7	1.1
Housing Units by Geography	503,513	14.3	25.5	26.3	33.0	0.9
Owner-Occupied Units by Geography	264,144	6.6	20.2	27.5	45.4	0.3
Occupied Rental Units by Geography	183,480	20.7	31.3	26.2	20.1	1.7
Vacant Units by Geography	55,889	29.6	31.3	21.5	16.4	1.2
Businesses by Geography	115,268	8.9	22.6	24.0	42.4	2.1
Farms by Geography	2,469	6.5	16.7	28.9	46.7	1.2
Family Distribution by Income Level	286,707	23.1	15.9	18.0	43.0	0.0
Household Distribution by Income Level	447,624	24.8	15.3	16.7	43.3	0.0
Median Family Income - Memphis, TN-MS-AR MSA	\$68,008		Median Housing Value			\$160,300
			Median Gross Rent			\$976
			Families Below Poverty Level			12.9%
Source: 2020 U.S. Census Data and 2022 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.						

The following table contains median family income data for the Memphis MSA for 2021.

Median Family Income Ranges – Memphis, TN-MS-AR MSA				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2021 (\$66,900)	<\$33,450	\$33,450 to <\$53,520	\$53,520 to <\$80,280	≥\$80,280
<i>Source: FFIEC.</i>				

According to Moody's Analytics, Precis U.S. Metro - December 2022, the Memphis MSA's economy is an average performer. Nonfarm employment continues to add workers at a steady clip, and job growth during the last six months kept pace with the state average. Healthcare, although remains below its pre-pandemic level, generates the most net new jobs. Growth in the crucial transportation/utilities sector leads the state average by a wide margin even as shipping volumes slow.

Based on 2020 business data from the U.S. Census Business Dynamics Statistics, approximately 60,327 jobs were created in 2020, with most jobs in health care/accommodation. However, unemployment rates increased substantially in most areas across the nation starting in April 2020 from the COVID-19 pandemic, and some local government orders closed nonessential businesses. According to the U.S. Bureau of Labor Statistics as of November 2022, the Memphis MSA's unemployment rate at 4.4 percent rises slightly above the national average at 3.6 percent and State of Mississippi at 4.1 percent. Using data from Clear Capital, housing prices increased 12.7 percent

in one year during 2020 with an affordability index of 2 on a scale of 1 to 10 with 1 being the most affordable.

Competition

The AA contains a low level of competition from other chartered banks based on its population. According to the June 30, 2022, FDIC Deposit Market Share Report, 38 institutions operate 291 offices in the AA and serve about 4,073 people on average. Guaranty Bank and Trust Company ranks 16th in market share by capturing 1.1 percent of the area's deposits. However, non-banks, such as fintech companies, credit unions, mortgage companies, and finance companies heighten the competition level with many offering the remote delivery of products through digital devices.

Community Contact

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

Examiners contacted a member of the community involved in financial wellness to help assess the area's current economic conditions, community credit needs, and potential opportunities for bank involvement. The contact indicated that the primary industries of service, health, and logistics report thriving economic conditions in the Memphis MSA. The contact stated that financial prosperity is not reaching lower income individuals, and significant needs in the area include small dollar loans so consumers can avoid higher cost payday lenders, affordable housing loans, small business loans, and financial literacy classes. The contact said that many individuals need a safe and practical way to build credit without resorting to payday lenders. Finally, the contact indicated that banks can do more to help meet the credit needs in the community.

Credit and Community Development Needs and Opportunities

Consistent with other metropolitan areas, the Memphis Multi-State MSA AA created varied loan demand. Considering information from bank management and demographic and economic information, examiners ascertained that the primary credit needs of the area include home mortgage, small business, and small dollar consumer loans.

Demographic data indicates that 39.0 percent of the AA's families received a designation of LMI, with 12.9 percent below the poverty level. Further, the community contacted noted a need for financial literacy, which signifies a continued need for CD services. In addition, the LMI designation for 38.9 percent of the area's census tracts, the Central Business Improvement District in Memphis, and the disaster declarations support the need for revitalization and stabilization efforts. Further, a need exists to expand affordable housing stock for LMI borrowers.

Given that the COVID-19 pandemic affected borrowers in a variety of ways, a significant retail banking service need exists for payment accommodations that facilitate the borrower's ability to work through the immediate impact of the pandemic. A financial inclusion need exists for increased access to consumer and commercial retail banking services to LMI borrowers and census

tracts. Additionally, a retail banking service need exists for digital products with evolving features and technology built in to improve the customer's financial wellness.

SCOPE OF EVALUATION – MEMPHIS MULTI-STATE MSA

Examiners performed a full-scope review of the sole AA in this rated area: the Memphis Multi-State MSA AA. The lending emphasis and product weighting in the Memphis Multi-State MSA AA is inconsistent with that discussed under the Scope of Evaluation in the Institution section of the performance evaluation. For the Memphis Multi-State MSA, home mortgage loans received the most weight, followed by small business loans, and lastly, small farm loans, based on number and dollar volume originated in the AA.

The scope of the Community Development Test for the Memphis Multi-State MSA remains consistent with that discussed under the Scope of Evaluation in the Institution section.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE MEMPHIS MULTI-STATE MSA

LENDING TEST

Guaranty Bank and Trust Company demonstrated a satisfactory Lending Test record in the Memphis Multi-State MSA. Reasonable performance regarding borrower profile outweighs poor geographic distribution to support this conclusion.

Geographic Distribution

The geographic distribution of loans reflects poor dispersion throughout the Memphis Multi-State MSA AA. Guaranty Bank and Trust Company's poor performance of small business and small farm loans outweighs reasonable performance of home mortgage loans to support this conclusion.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the Memphis Multi-State MSA AA. Reasonable performance in LMI census tracts support this conclusion. Guaranty Bank and Trust Company's home mortgage lending performance in low-income census tracts falls only slightly below aggregate data, reflecting reasonable performance. In moderate-income census tracts, the bank's lending performance exceeds aggregate data by 5.4 percentage points, which reflects a reasonable level.

Geographic Distribution of Home Mortgage Loans Memphis Multi-State MSA AA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	10.5	3.8	7	2.3	724	1.0
Moderate	16.1	9.0	44	14.4	5,611	7.6
Middle	24.3	22.3	119	39.0	25,671	34.7
Upper	48.9	64.8	135	44.3	42,031	56.8
Not Available	0.1	0.0	0	0.0	0	0.0
Totals	100.0	100.0	305	100.0	74,037	100.0

Source: 2015 ACS Data; 2021 HMDA LAR and Aggregate Data. Due to rounding, totals may not equal 100.0.

Small Business Loans

The geographic distribution of small business loans reflects poor dispersion throughout the Memphis Multi-State MSA AA. Poor performance in moderate-income census tracts outweighs reasonable performance in low-income census tracts to support this conclusion.

The following table shows that the bank's lending in low-income census tracts falls 1.7 percentage points below demographic data, reflecting reasonable performance. The bank's lending in moderate-income census tracts falls notably below demographic data by 11.4 percentage points, reflecting a poor level. Examiners placed more weight on performance in moderate-income census tracts given the higher percentage of businesses located in these tracts indicating a likely greater opportunity to lend.

Geographic Distribution of Small Business Loans Memphis Multi-State MSA AA					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	8.9	20	7.2	6,243	11.7
Moderate	22.6	31	11.2	6,883	12.9
Middle	24.0	92	33.3	9,526	17.9
Upper	42.4	131	47.5	29,378	55.2
Not Available	2.1	2	0.7	1,200	2.3
Totals	100.0	276	100.0	53,230	100.0

Source: 2022 D&B Data; 2022 Bank Data. Due to rounding, totals may not equal 100.0.

Small Farm Loans

The geographic distribution of small farm loans reflects poor dispersion in the Memphis MSA AA. A poor record in LMI census tracts supports this conclusion. As seen in the following table, the bank did not originate any loans in low-income census tracts, which falls 6.5 percentage points below demographic data and reflects a poor level. In moderate-income census tracts, the bank's level falls below demographic data by 14.3 percentage points, also evidencing poor performance.

A review of demographic data shows 160 farms located in low-income census tracts and 412 farms located in moderate-income tracts in the Memphis Multi-State MSA AA. Shelby County contains 90.0 percent of the farms in low- and moderate-income tracts in the Memphis Multi-State MSA AA. An additional analysis of the bank's lending revealed 38 of 42 small farm loans were originated in Tate County, which does not contain any LMI census tracts.

The Shelby County government website refers to Memphis as the Mid-South Capital for agribusiness, with 375 agribusiness-related companies employing 65,000 people (22 percent of the total labor force). Memphis is known as the world's Cotton Capital with nearly half of the U.S. cotton crop sold in Memphis. While 96.0 percent of the population lives in an urban area, Shelby County ranks in or near the top 10 in Tennessee in cotton and soybean production. Of the 480,640 acres in Shelby County, approximately 27.7 percent are classified as rural farm. Therefore, considering the small farm lending opportunities in the Memphis MSA assessment area (particularly in Shelby County) as revealed by the additional performance context data, the bank's sole small farm loan originated in LMI census tracts reflects poor penetration.

Geographic Distribution of Small Farm Loans Memphis Multi-State MSA AA					
Tract Income Level	% of Farms	#	%	\$(000s)	%
Low	6.5	0	0.0	0	0.0
Moderate	16.7	1	2.4	159	4.0
Middle	28.9	33	78.6	2,657	67.7
Upper	46.7	8	19.0	1,111	28.3
Not Available	1.2	0	0.0	0	0.0
Totals	100.0	42	100.0	3,927	100.0
<i>Source: 2022 D&B Data; 2022 Bank Data. Due to rounding, totals may not equal 100.0.</i>					

Borrower Profile

The distribution of borrowers reflects, given the demographics of the AA, reasonable penetration among individuals of different income levels (including LMI) and businesses of different sizes. Reasonable records regarding home mortgage and small farm lending outweigh poor small business lending to support this conclusion.

Home Mortgage Loans

The distribution of borrowers reflects reasonable penetration among individuals of different income levels in the Memphis Multi-State MSA AA. Reasonable performance to LMI borrowers supports this conclusion.

Guaranty Bank and Trust Company's home mortgage lending performance to low-income borrowers trails aggregate data by 2.4 percentage points, which reflects reasonable performance. To moderate-income borrowers, the bank's lending performance reflects similar performance to aggregate data, evidencing reasonable performance.

Distribution of Home Mortgage Loans by Borrower Income Level Memphis Multi-State MSA AA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	24.1	3.4	3	1.0	407	0.6
Moderate	15.5	11.3	33	10.8	5,028	6.8
Middle	17.3	17.7	51	16.7	9,080	12.3
Upper	43.1	43.7	120	39.3	33,384	45.1
Not Available	0.0	23.9	98	32.1	26,138	35.3
Totals	100.0	100.0	305	100.0	74,037	100.0
<i>Source: 2015 ACS Data; 2021 HMDA LAR and Aggregate Data. Due to rounding, totals may not equal 100.0.</i>						

Small Business Loans

The distribution of borrowers reflects poor penetration among businesses of different sizes in the Memphis Multi- State MSA AA. Poor performance in lending to businesses with GAR of \$1 million or less supports this conclusion. The following table shows the bank originated four out of every ten small business loans to businesses reporting GAR of \$1 million or less, reflecting a poor level.

Detailed Distribution of Small Business Loans by Gross Annual Revenues Memphis MSA AA					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
< \$100,000	63.2	16	16.0	1,779	10.3
\$100,000 - \$249,999	18.1	9	9.0	608	3.5
\$250,000 - \$499,999	4.3	11	11.0	2,045	11.8
\$500,000 - \$1,000,000	2.3	7	7.0	1,313	7.6
Subtotal <= \$1,000,000	87.9	43	43.0	5,745	33.2
>\$1,000,000	3.5	38	38.0	10,587	61.3
Revenue Not Available	8.5	19	19.0	943	5.5
Total	100.0	100	100.0	17,275	100.0
<i>Source: 2022 D&B Data, 2022 Bank Data. Due to rounding, totals may not equal 100.0.</i>					

Small Farm Loans

The distribution of borrowers reflects reasonable penetration among farms of different sizes in the Memphis Multi-State MSA AA. Examiners focused on the institution's lending to farms with GAR of \$1 million or less when arriving at this conclusion. As seen in the following table, the institution originated more than eight out of every ten small farm loans to farms with GAR of \$1 million or less, reflecting reasonable performance.

Detailed Distribution of Small Farm Loans by Gross Annual Revenues Memphis Multi-State MSA AA					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
< \$100,000	79.6	15	36.6	820	21.5
\$100,000 - \$249,999	10.4	4	9.8	316	8.3
\$250,000 - \$499,999	3.9	11	26.8	1,130	29.7
\$500,000 - \$1,000,000	2.1	4	9.8	808	21.2
Subtotal <= \$1,000,000	96.0	34	83.0	3,074	80.7
>\$1,000,000	2.3	2	4.9	690	18.1
Revenue Not Available	1.7	5	12.2	42	1.1
Total	100.0	41	100.0	3,806	100.0
<i>Source: 2022 D&B Data, 2022 Bank Data. Due to rounding, totals may not equal 100.0.</i>					

COMMUNITY DEVELOPMENT TEST

Guaranty Bank and Trust Company demonstrated a needs to improve record in the Memphis Multi-State MSA regarding the Community Development Test. Guaranty Bank and Trust Company's CD performance demonstrates poor responsiveness to CD needs in the Memphis Multi-State MSA through CDLs, QIs, and CD services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for CD in the area.

Community Development Loans

The following table shows that since the prior evaluation, the bank granted four CDLs totaling \$2.5 million in this rated area. The current dollar amount equates to 12.3 percent of the bank's total CDLs, which falls significantly below the 55.2 percent of the dollar volume of loans generated by this area. The CDLs demonstrate poor responsiveness in addressing the AA's CD needs when considering the bank's ability and capacity in relation to the opportunities within the area. The table illustrates the CDLs by year and purpose in the Memphis Multi-State MSA AA.

Community Development Lending Memphis Multi-State MSA AA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2020 (Partial)	0	0	0	0	0	0	2	1,085	2	1,085
2021	0	0	0	0	0	0	1	865	1	865
2022	0	0	0	0	1	530	0	0	1	530
2023 (YTD)	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	1	530	3	1,950	4	2,480
<i>Source: Bank Data (1/27/2020-3/27/2023).</i>										

The following lists an example of a CDL in the Memphis Multi-State MSA AA.

- **Revitalize and Stabilize** – The bank originated an \$865,000 loan to finance the purchase of a furniture business and renovation of the building located in an LMI area, which helps to attract and retain businesses.

Qualified Investments

The following table shows that the bank made use of nine QIs totaling nearly \$1.2 million. The current dollar amount equates to 4.0 percent of the bank’s total QIs, which reflects a low level and falls significantly lower than the 29.0 percent of the deposits generated by this rated area.

The QIs demonstrate a poor level of responsiveness in addressing the AA’s CD needs when considering the bank’s ability and capacity in relation to the opportunities within the area. The following table shows the QIs by year and purpose in the Memphis Multi-State MSA AA.

Qualified Investments Memphis Multi-State MSA AA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	0	0	0	0	0	0	0	0	0	0
2020 (Partial)	0	0	0	0	0	0	0	0	0	0
2021	0	0	0	0	0	0	0	0	0	0
2022	1	1,000	0	0	0	0	0	0	1	1,000
2023 (YTD)	0	0	0	0	0	0	0	0	0	0
Subtotal	1	1,000	0	0	0	0	0	0	1	1,000
Qualified Grants & Donations	3	52	5	128	0	0	0	0	8	180
Total	4	1,052	5	128	0	0	0	0	9	1,180
<i>Source: Bank Data (1/27/2020-3/27/2023).</i>										

The following lists examples of QIs in the Memphis Multi-State MSA AA.

- **Affordable Housing** – The bank made an investment of \$1 million in a Freddie Mac Small Balance Loan program, providing affordable housing to LMI individuals.
- **Community Services** – The bank donated \$125,000 to a charitable organization that provides educational services to LMI children.

Community Development Services

During the evaluation period, bank employees provided 28 instances of financial expertise or technical assistance to various CD-related organizations in the Memphis Multi-State MSA AA. This represents 19.0 percent of the bank’s total CD services compared to this AA containing 32.0 percent of the bank’s total branches. The services proved primarily responsive to an identified need

of community services. The following table illustrates the CD services by year and purpose in the Memphis Multi-State MSA AA.

Community Development Services Memphis Multi-State MSA AA					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2020 (Partial)	1	1	0	0	2
2021	1	7	0	0	8
2022	2	10	0	0	12
2023 (YTD)	2	3	1	0	6
Total	6	21	1	0	28
<i>Source: Bank Data (1/27/2020-3/27/2023).</i>					

The following lists examples of CD services in the Memphis Multi-State MSA AA.

- ***Affordable Housing*** – A bank employee serves as Chairman on a housing board that focuses on issuing bonds for Tennessee Housing Development Agency and providing affordable housing for LMI individuals.
- ***Community Services*** – A bank employee provided a financial literacy budgeting class targeted towards LMI homebuyers.

Guaranty Bank and Trust Company operates one branch in a moderate-income census tract in the Memphis Multi-State MSA AA. The bank's alternative delivery systems in this AA remain consistent with those discussed under CD services in the Institution section.

APPENDICES

INTERMEDIATE 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).

Community Development Test

The Community Development Test considers the following criteria:

- 1) The number and amount of community development loans;
- 2) The number and amount of qualified investments;
- 3) The extent to which the bank provides community development services; and
- 4) The bank's responsiveness through such activities to community development lending, investment, and service needs.

SUMMARY OF RATINGS FOR RATED AREAS

Rated Area	Lending Test	Community Development Test	Rating
Memphis Multi-State MSA	Satisfactory	Needs to Improve	Needs to Improve
State of Mississippi	Satisfactory	Satisfactory	Satisfactory

DESCRIPTION OF LIMITED-SCOPE ASSESSMENT AREA

The Jackson MSA AA consists of all of Madison County, Mississippi. Although this AA was new prior to the last evaluation due to the Ridgeland branch opening on August 9, 2019, examiners did not conduct a review of this AA at the prior evaluation due to the short amount of time that had elapsed since the branch opened. The following table lists select demographic data for this AA based on the 2020 U.S. Census and 2022 D&B data.

Demographic Information of the Assessment Area Jackson MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	26	7.7	11.5	23.1	57.7	0.0
Population by Geography	109,145	5.8	10.0	17.3	67.0	0.0
Housing Units by Geography	43,828	6.7	11.2	20.2	62.0	0.0
Owner-Occupied Units by Geography	29,000	1.6	7.8	16.8	73.8	0.0
Occupied Rental Units by Geography	11,179	17.9	19.1	28.1	34.9	0.0
Vacant Units by Geography	3,649	12.9	13.5	23.1	50.6	0.0
Businesses by Geography	13,433	1.8	7.4	22.0	68.8	0.0
Farms by Geography	481	0.2	6.0	13.1	80.7	0.0
Family Distribution by Income Level	27,693	14.9	12.8	16.5	55.8	0.0
Household Distribution by Income Level	40,179	16.7	13.9	14.9	54.5	0.0
Median Family Income - Jackson, MS MSA	\$67,202		Median Housing Value			\$216,173
			Median Gross Rent			\$895
			Families Below Poverty Level			7.5%
Source: 2020 U.S. Census Data and 2022 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.						

The AA reflects a highly competitive market for financial services. According to the FDIC Deposit Market Share data as of June 30, 2022, 23 institutions operate 63 offices within this AA. Of these institutions, Guaranty Bank and Trust Company ranked 23th with 0.07 percent deposit market share. The top 3 financial institutions account for 39.6 percent of the total deposit market share.

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.

Community Development: For loans, investments, and services to qualify as community development activities, their primary purpose must:

- (1) Support affordable housing for low- and moderate-income individuals;
- (2) Target community services toward low- and moderate-income individuals;
- (3) Promote economic development by financing small businesses or farms; or
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type of investments in community development projects. Bank CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Bank CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

Community Development Loan: A loan that:

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose bank:
 - (i) Has not been reported or collected by the bank or an affiliate for consideration in the bank's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
 - (ii) Benefits the bank's assessment area(s) or a broader statewide or regional area including the bank's assessment area(s).

Community Development Service: A service that:

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the bank's retail banking services under § 345.24(d).

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.

Distressed Middle-income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

- (1) An unemployment rate of at least 1.5 times the national average;
- (2) A poverty rate of 20 percent or more; or
- (3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 50 year period preceding the most recent census.

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.

Low Income Housing Tax Credit: The Low-income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

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.

Multi0family: 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.

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

Rated Area: A rated area is a state or Multi-State 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 Multi-State metropolitan area, the institution will receive a rating for the Multi-State metropolitan area.

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

Small Business Investment Company (SBIC): SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

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.

Underserved Middle-income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating the area’s population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

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.