



PUBLIC DISCLOSURE

February 28, 2022

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

Farm Bureau Bank, FSB
Charter Number 715205

10345 Professional Circle, Suite 100
Reno, NV 89521

Office of the Comptroller of the Currency

San Antonio Field Office
10001 Reunion Place, Suite 250
San Antonio, TX 78216

Note: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not 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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Overall CRA Rating

Institution's CRA Rating: This institution is rated Satisfactory.

The lending test is rated: Satisfactory.

The community development test is rated: Satisfactory.

The major factors that support this rating include:

- The bank exhibits a reasonable geographic distribution of loans.
- The bank exhibits a reasonable distribution of loans by borrower income.
- The bank exhibits adequate responsiveness to community development (CD) needs within its assessment areas (AAs).

In addition to the activities considered at the AA level, we considered the following activities bank-wide:

- The bank's loan-to-deposit (LTD) ratio is more than reasonable.
- The bank offers a full range of loan and deposit products and services, including alternative delivery systems such as online, mobile, and telephone banking. Products and services are offered to all market areas. The bank participated in the Small Business Administration's (SBA) Paycheck Protection Program (PPP) to meet the needs of those impacted by the COVID-19 pandemic (pandemic). The bank also expanded its qualifications for its "skip-a-pay" program to assist customers impacted by the pandemic.

Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AAs, the bank's LTD ratio is more than reasonable.

The bank's quarterly LTD ratio calculated on a bank-wide basis for the 16-quarter evaluation period was 97.85 percent. Over the same time frame, the LTD ratio ranged from a low of 84.23 percent at December 31, 2020, to a high of 108.91 percent at March 31, 2018.

The bank's quarterly average LTD ratio is higher than the quarterly average LTD ratio for five similarly situated institutions. The similarly situated institution's quarterly average LTD was 86.97 percent ranging from a low of 59.42 percent to a high of 115.89 percent.

Lending in Assessment Area

A substantial majority of the bank's loans are outside its AAs.

The bank originated and purchased 0.56 percent of its total loans inside the bank's AAs during the evaluation period. This analysis is performed at the bank, rather than the AA, level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Small Business	161	3.32	4,693	96.68	4,854	5,867	3.61	156,553	96.39	162,420
Consumer	291	0.39	75,008	99.61	75,299	5,582	0.44	1,250,007	99.56	1,255,589
Total	452	0.56	79,701	99.44	80,153	11,449	0.81	1,406,560	99.19	1,418,009

Source: 01/01/2018-12/31/2021 Bank Data

The primary loan product for the bank is consumer loans. Small business loans are not a primary product but are included in the table above for informational purposes, due to the bank's participation in the PPP during the evaluation period, indicating a responsiveness to community needs brought on by the pandemic.

The bank's performance in this area is reasonable after performance context considerations. The bank operates under a unique business model with a limited physical presence, operating only two branches with limited activity at either. The majority of the bank's business, loans, and deposits come from outside the AAs, via phone, online banking, and mobile banking, due to business being driven by referrals from Farm Bureau Federation agents across the country. The bank's performance in this area improved since the previous evaluation, with an increase in both the number and dollar amount of consumer loans originated inside the AAs.

Description of Institution

Farm Bureau Bank, FSB (FBB) is an interstate bank headquartered in Reno, NV. FBB is wholly owned by FB Bancorp, a one-bank holding company also headquartered in Reno, NV. There was no merger or acquisition activity during the evaluation period.

The bank primarily serves Farm Bureau Federation members in 44 states. Although most of the bank's customers are Farm Bureau members, membership is not a requirement to become a bank customer. While the Farm Bureau Federation has members nationwide, a significant amount of the bank's activity comes from rural and agricultural areas in the southeast United States.

FBB's business model is unique as it operates with a limited physical presence and primarily delivers products and services through direct mail, telephone banking, mobile banking, online banking (www.farmbureau.bank), and Farm Bureau Federation agents. Farm Bureau agents refer business to the bank and are not bank employees. Since these agents do not accept deposits or applications, they are not considered branches. FBB operates two locations, one in Reno, NV and one in San Antonio, TX. The Reno, NV location is the bank's main office and is a full-service branch. The San Antonio, TX location serves as the bank's operations center and administrative

office but is open to customers. During the evaluation period, there were no branch openings or closures. However, the bank's main location was moved from Sparks, NV to Reno, NV in 2020. The bank does not have any automated teller machines (ATMs).

FBB offers a full range of products and services, including deposit accounts, credit cards, and lending products. The bank receives most of its deposits and loan payments by mail, mobile deposit, or wire transfer. With their non-physical infrastructure and their national focus, FBB does not truly have a significant deposit market share in any geographical location. The geographical areas of higher loan and deposit concentrations fluctuate based on how active the Farm Bureau agents are in that particular area.

As of December 31, 2021, FBB had total assets of \$799.5 million. Tier 1 capital totaled \$91.8 million, and the tier 1 leverage ratio was 11.60 percent. Net loans were reported at \$608 million and represented 76 percent of total assets and 90 percent of total deposits. FBB's loan portfolio consisted of consumer loans (75.60 percent), farmland and farm-related loans (10.01 percent), commercial and industrial loans (8.81 percent), commercial real estate and construction and development loans secured by real estate (2.95 percent), and residential real estate loans (2.62 percent). FBB's primary lending focus is consumer loans, specifically auto loans and credit cards. A majority of the bank's auto loans are refinances, followed by purchases direct from the dealer and person to person purchases.

In 2018, the bank offered a Disaster Relief Program to customers in North Carolina, South Carolina, and Virginia that were impacted by Hurricane Florence and were declared designated disaster areas by the Federal Emergency Management Agency (FEMA). The relief program was available for credit cards, installment loans, and deposit accounts and offered loan rate discounts, flexible loan requirements, loan extensions, partial payments, fee waivers, and advance access to funds.

Throughout 2020 and 2021 the bank offered customers products and services to assist in alleviating financial stress brought on by the pandemic. During this period the bank offered qualified customers SBA PPP loans. FBB originated 560 PPP loans totaling \$15.05 million. Additionally, the bank expanded qualifying criteria for its "skip-a-pay" program for credit cards and installment loans and allowed 5,370 customers to skip at least one payment.

The bank has two AAs, Washoe County AA and Bexar County AA, in two rating areas, Nevada and Texas. The rating and AAs are described in more detail later within the Public Evaluation (PE). Based on the financial condition, size, and product offerings, there are no legal, financial, or other factors that inhibit FBB's ability to help meet the credit needs in its AAs. The prior performance evaluation, dated January 7, 2019, assigned an overall Satisfactory rating to FBB's CRA performance based on a lending test rating of Satisfactory and a community development test rating of Satisfactory.

Scope of the Evaluation

Evaluation Period/Products Evaluated

FBB was evaluated using the Intermediate Small Bank CRA examination procedures, which includes a lending test and a CD test. The lending test evaluates the bank's record of meeting the credit needs of its AAs through lending activities. The CD test evaluates the bank's record of responding to the CD needs and opportunities of its AAs through CD lending, investments and donations, and services hours provided within the communities served.

The evaluation period for this examination is January 1, 2018, through December 31, 2021. To evaluate lending performance, analysis was completed on a random sample of consumer loans. For the geographic and borrower distribution analyses, we compared lending performance to updated 2015 American Community Survey census data effective January 2017.

Selection of Areas for Full-Scope Review

In each state where the bank has an office, one or more of AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated assessment areas located within the same metropolitan statistical area (MSA), multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope. Refer to the "Scope" section under each State Rating for details regarding how full-scope AAs were selected. Refer to appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

Ratings

The bank's overall rating is a blend of the state ratings. FBB did not have any multi-state AAs or a multistate rating during this evaluation period. The state rating is based on the bank's performance in the identified AAs within each state.

State ratings are based on performance in all bank AAs. Refer to the "Scope" section under each state and MMSA Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 CFR 25.28(c) or 195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the

U.S. Department of Housing and Urban Development, and the Bureau of Consumer Financial Protection, as applicable.

The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

State Rating

State of Nevada

CRA rating for the State of Nevada: Satisfactory.

The lending test is rated: Satisfactory.

The community development test is rated: Satisfactory.

The major factors that support this rating include:

- The bank exhibits a reasonable geographic distribution of loans.
- The bank exhibits a reasonable distribution of loans by income level of the borrower.
- The level of CD activities reflects adequate responsiveness to CD needs within its AA.

Description of Institution's Operations in Nevada

The bank operates one location, its main office, in its one AA in Nevada. Office hours are 9am-4pm, Monday through Friday. Customers also have access to services through the FBB Contact Center via phone and fax on weekdays from 7am-7pm, and on Saturday from 8am-12pm. Customers are also able to access FBB through mobile and internet banking 24 hours a day. The main office is located in south Reno, in an upper-income census tract (CT). Surrounding CTs are all middle- and upper-income. Low-income CTs within the AA are located in central Reno and north of Reno.

Washoe County AA

FBB designates Washoe County as its AA in the state of Nevada. Washoe County is part of the Reno-Sparks MSA and is located in the northwest region of Nevada. There are 112 CTs in Washoe County, which includes 10 low-income CTs, 20 moderate-income CTs, 41 middle-income CTs, 34 upper-income CTs, along with seven CTs that have no income designations. FBB currently has one office in the AA. The bank's AA meets regulatory requirements and does not arbitrarily exclude low- or moderate-income (LMI) geographies.

Bank generated reports indicate that FBB deposits in the Washoe County AA total \$4 million and represent 0.60 percent of total deposits. In comparison with the FDIC Summary of Deposits Report FBB has a market share of 0.03 percent in Washoe county and ranks 16th out of 17 institutions. FBB faces strong competition within the AA. Competitors operate 84 offices in the AA and include large interstate banks, regional banks, savings banks, and community banks. The top five institutions account for 79 percent of total deposits in the AA. The top five institutions include Wells Fargo Bank, National Association; Bank of America, National Association; U.S. Bank National Association; Zions Bancorporation, National Association; and Western Alliance Bank.

In addition to traditional depository institutions, FBB faces competition in consumer lending to LMI borrowers from online financiers, payday lenders, and dealer direct financing who cater to those that might not qualify for traditional financing. Loans originated within the AA during the evaluation period represent 0.29 percent of all loans originated during the period.

According to the U.S. Bureau of Labor Statistics, unemployment in this AA is 2.8 percent, which is lower than the nationwide and Nevada unemployment rates as of December 2021. The nationwide and Nevada unemployment rates were 3.9 percent and 5.3 percent, respectively.

According to Moody's Analytics, Reno's economy is recovering from the pandemic faster than the rest of the state and 75 percent of U.S. metro areas. Manufacturing continues to grow and has exceeded its precrisis employment peak, and job creation is proceeding at an above-average pace. Business/professional services have struggled to maintain momentum since the pandemic. Leisure/hospitality job growth is beginning to show improvement and continues to recover from the pandemic. Despite the strong employment outlook, the housing market will not be able to sustain its current pace. Low mortgage rates have boosted demand and out of area buyers are purchasing second homes. This coupled with low supply, is causing housing prices to increase to record highs and pricing potential home buyers out of the market. Housing demand is expected to decrease as households opt for the rental market in 2022.

Professional and business services, leisure and hospitality, education and health, government, and manufacturing are the largest industries in the AA. Major employers include University of Nevada-Reno, Renown Health, Tesla, Inc., Peppermill Hotel Casino-Reno, and Grand Sierra Hotel & Casino.

To help identify the needs and opportunities in the AA, we contacted a local economic development organization who stated that small business lending is one of the primary needs within the community. We also reviewed data from the Department of Housing and Urban Development which indicated homelessness is also a primary need in the community. Nevada has an above average homeless rate with Reno, Nevada having one of the highest homeless rates in the Nation.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Washoe County						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	112	8.9	17.9	36.6	30.4	6.3
Population by Geography	435,019	8.6	19.1	41.3	29.6	1.4
Housing Units by Geography	186,481	9.8	19.9	38.9	30.3	1.1
Owner-Occupied Units by Geography	94,470	2.7	12.7	43.6	40.6	0.4
Occupied Rental Units by Geography	71,875	18.2	29.3	35.1	15.6	1.8
Vacant Units by Geography	20,136	13.1	19.8	29.8	34.8	2.5
Businesses by Geography	29,288	8.8	24.3	27.7	33.9	5.3
Farms by Geography	647	6.6	16.1	39.9	35.5	1.9
Family Distribution by Income Level	102,630	21.1	17.2	20.6	41.0	0.0
Household Distribution by Income Level	166,345	24.6	15.7	17.5	42.1	0.0
Median Family Income MSA - 39900 Reno, NV MSA		\$65,722	Median Housing Value			\$219,183
			Median Gross Rent			\$945
			Families Below Poverty Level			10.0%
<i>Source: 2015 ACS and 2020 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Scope of Evaluation in Nevada

The Washoe County AA is the bank's only AA within the state, and it received a full-scope review.

Conclusions in Respect to Performance Tests in Nevada

Lending Test

The bank's performance under the lending test in Nevada is rated Satisfactory

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's lending performance in the state of Nevada is reasonable.

Distribution of Loans by Income Level of the Geography

The bank exhibits reasonable geographic distribution of loans in the state.

Consumer Loans

Refer to Table U in the state of Nevada section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's consumer loan originations and purchases.

The overall geographic distribution of consumer loans is adequate. The bank did not originate any loans to low-income geographies during the evaluation period. Loans originated in moderate-income geographies is slightly below the percentage of households located in those areas. FBB faces significant competition within the AA from both traditional and nontraditional lenders. Additionally, the Reno branch is not in close proximity to LMI CTs and is located in an upper-income CT with all surrounding CTs being middle-and-upper income.

Lending Gap Analysis

We reviewed the geographic distribution of consumer loans selected from our sample and did not identify any unexplained conspicuous gaps in lending activity.

Distribution of Loans by Income Level of the Borrower

The bank exhibits a reasonable distribution of loans to individuals of different income levels and businesses and farms of different sizes, given the product lines offered by the bank.

Consumer Loans

Refer to Table V in the state of Nevada section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's consumer loan originations and purchases.

The overall distribution of consumer loans by borrower income level is adequate. The bank's percentage of loans to low-income borrowers is below the percentage of low-income households. The bank's percentage of loans to moderate-income borrowers exceeds the percentage of moderate-income households.

Responses to Complaints

FBB did not receive any complaints related to its CRA or fair lending performance in the Washoe County AA during the evaluation period.

Community Development Test

The bank’s performance under the CD test in the state of Nevada is rated Satisfactory.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope the review, the bank exhibits adequate responsiveness to community development needs through CD loans, qualified investments, and CD services, as appropriate, considering the bank’s capacity and the need and availability of such opportunities for community development in the bank’s AA.

Number and Amount of Community Development Loans

The Community Development Loans Table, shown below, sets forth the information and data used to evaluate the bank’s level of CD lending. The table includes all CD loans.

Community Development Loans				
Assessment Area	Total			
	#	% of Total #	\$(000's)	% of Total \$
Washoe County	1	100	250	100
Total	1	100	250	100
Source: Bank Data 1/1/2018 to 12/31/21				

The level of CD loans originated during the evaluation period reflects adequate responsiveness to CD needs of the AA and increased since the prior evaluation. FBB originated 1 CD loan, totaling \$250,000, to NewWest Community Capital, Inc. NewWest is certified Community Development Financial Institution (CDFI) based out of Idaho that focuses on providing low-cost financing for affordable housing projects in Nevada. The loan funds were pooled and used to support the financing of 18 multifamily affordable housing projects in Sparks and Reno, Nevada.

Number and Amount of Qualified Investments

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Washoe County	0	0	11	1,755	11	100	1,755	100	0	0
Total	0	0	11	1,755	11	100	1,755	100	0	0
* Prior Period Investments means investments made in a previous evaluation period that are outstanding as of the examination date. ** Unfunded Commitments means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.										

The level of investments and donations made reflects adequate responsiveness to AA needs and represents a significant increase from efforts reported in the prior evaluation. During the evaluation period, FBB's investments include 3 mortgage-backed securities issued by Federal Home Loan Mortgage Corporation totaling nearly \$1.7 million. In total, the bank purchased 9 mortgages to moderate-income borrowers in Washoe County with 3 of those being located in LMI CTs. FBB also provided donations to several organizations, totaling \$103,000. An example of these donations includes:

- Eddy House – FBB made three donations totaling \$40,000 to this organization. The organization is a non-profit resource center for homeless and at-risk youth to develop life and job skills necessary for sustainable independence.

Extent to Which the Bank Provides Community Development Services

FBB demonstrated adequate responsiveness to AA needs through CD services. During the evaluation period, bank officers and staff provided 167 hours of service to 4 organizations that provide CD services in the AA. Activities included providing leadership and technical expertise through board and committee membership and providing financial education to LMI individuals. Examples of CD services conducted during the evaluation period in the AA include:

- Opportunity Alliance Nevada (OANV) – Bank employees provided 50 hours of service volunteering as OANV Financial Navigators that answer questions related to financial impacts due to crisis, direct them to resources, and connect them with agencies that can help.
- The Eddy House Project – One employee provided 60 hours of service as a board member.

State Rating

State of Texas

CRA rating for the State of Texas: Satisfactory.

The lending test is rated: Satisfactory.

The community development test is rated: Satisfactory.

The major factors that support this rating include:

- The bank exhibits a reasonable geographic distribution of loans.
- The bank exhibits a reasonable distribution of loans by income level of the borrower.
- The level of CD activities reflects outstanding responsiveness to CD needs within its AA.

Description of Institution's Operations in Texas

The bank operates one location within the AA in Texas. Office hours are 7am-7pm, Monday through Friday. Customers also have access to services through the FBB Contact Center via phone and fax on weekdays from 7am-7pm, and on Saturday from 8am-12pm. Customers are also able to access FBB accounts through mobile and internet banking 24 hours a day. The office is in an upper-income CT in San Antonio with all surrounding CTs being middle- and upper-income.

Bexar County AA

FBB designates Bexar County as its AA in the state of Texas. Bexar County is part of the San Antonio-New Braunfels MSA and is located in south-central Texas. There are 366 CTs in Bexar County, and includes 33 low-income CTs, 131 moderate-income CTs, 92 middle-income CTs, 106 upper-income CTs, and four CTs with no income designations. FBB currently has one office in the AA, which accounts for 98 percent of the bank's total deposits. The bank's AA meets regulatory requirements and does not arbitrarily exclude LMI geographies.

Bank generated reports indicate that FBB deposits in the Bexar County AA total \$4.3 million and represent 0.64 percent of total deposits. In comparison with the FDIC Summary of Deposits Report FBB has no material market share in Bexar County at zero percent and ranked 42nd out of 43 institutions. FBB faces strong competition within the AA. Competitors operate 289 offices in the AA and include large interstate banks, regional banks, savings banks, and community banks. The top three institutions account for 83 percent of total deposits in the AA. The top three institutions include USAA Federal Savings Bank; Citibank, National Association; and Frost Bank. In addition to traditional depository institutions, FBB faces competition in consumer lending to LMI borrowers from online financiers, payday lenders, and dealer direct financing who cater to those that might not qualify for traditional financing. Loans originated within the AA during the evaluation period represent 0.33 percent of all loans originated during the period.

According to the U.S Bureau of Labor Statistics, unemployment in this AA is 3.7 percent, which is lower than the nationwide and Texas unemployment rates as of December 2021. The nationwide and Texas unemployment rates were 3.9 percent and 4.8 percent, respectively.

According to Moody's Analytics, the San Antonio-New Braunfels MSA has recovered from the COVID-19 pandemic somewhat faster than the nation and is expected to have above-average performance in the near and longer term. Per the report, more than four-fifths of the jobs lost during the downturn have returned, compared with three-fourths nationally. The MSA is expected to grow at an above-average pace in the coming years due to the following: strong home sales and price appreciation driving demand for new residential construction; a strong rebound in cross-border trade with Mexico propelling job growth in logistics; and the revival of the hospitality industry. Notably, the large military presence continues to provide stability to the economy driving demand for personal and housing services. A number of industries have surpassed their pre-crises levels, with only healthcare and construction underperforming. Over the longer term, the area's above average population gains, low costs of doing business, and relatively high housing affordability are expected to contribute to above-average overall performance.

Government entities, education and health services, and professional business services are the largest industries in the AA. Top employers include Joint Base San Antonio (which comprises Lack Land Air Force Base, Randolph Air Force Base, and Fort Sam Houston), grocery chain H-E-B, USAA, and the Methodist Health System.

To help identify needs and opportunities in the AA, we reviewed a regulatory contact with two organizations. These organizations include a small business development organization primarily focused on providing credit and services to underserved small businesses and entrepreneurs, and a local nonprofit organization primarily focused on affordable housing for LMI families. The contacts stated primary needs within the community include affordable housing and access to capital for underserved businesses.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Bexar County						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	366	9.0	35.8	25.1	29.0	1.1
Population by Geography	1,825,502	7.4	34.0	27.7	30.9	0.0
Housing Units by Geography	675,208	7.1	33.9	27.9	31.0	0.0
Owner-Occupied Units by Geography	361,851	5.3	27.8	27.5	39.4	0.0
Occupied Rental Units by Geography	256,980	8.7	41.0	28.8	21.5	0.0
Vacant Units by Geography	56,377	11.3	41.1	26.7	21.0	0.0
Businesses by Geography	141,589	4.9	23.1	27.8	43.9	0.3
Farms by Geography	2,636	2.5	19.2	27.5	50.7	0.1
Family Distribution by Income Level	419,295	24.1	17.7	19.3	39.0	0.0
Household Distribution by Income Level	618,831	25.6	16.3	18.0	40.1	0.0
Median Family Income MSA - 41700 San Antonio- New Braunfels, TX MSA		\$62,228	Median Housing Value			\$146,871
			Median Gross Rent			\$893
			Families Below Poverty Level			13.8%
<i>Source: 2015 ACS and 2020 D&B Data Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Scope of Evaluation in Texas

The Bexar County AA is the bank’s only AA in the state, and it received a full-scope review.

Conclusions in Respect to Performance Tests in Texas

Lending Test

The bank's performance under the lending test in Texas is rated Satisfactory.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review the bank's lending performance in the state of Texas is reasonable.

Distribution of Loans by Income Level of the Geography

The bank exhibits reasonable geographic distribution of loans in the state.

Consumer Loans

Refer to Table U in the state of Texas section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's consumer loan originations and purchases.

The overall geographic distribution of consumer loans is adequate. Loans originated in low-income geographies is near the percentage of households located in those areas. Loans originated in moderate-income geographies is below the percentage of households located in those areas.

Lending Gap Analysis

We reviewed the geographic distribution of consumer loans selected from our sample and did not identify any unexplained conspicuous gaps in lending activity.

Distribution of Loans by Income Level of the Borrower

The bank exhibits a reasonable distribution of loans to individuals of different income levels and businesses and farms of different sizes, given the product lines offered by the bank.

Consumer Loans

Refer to Table V in the state of Texas section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's consumer loan originations and purchases.

The overall distribution of consumer loans by borrower income level is adequate. The bank's percentage of loans to low-income borrowers was slightly below the percentage of low-income households. The bank's percentage of loans to moderate-income borrowers was below the percentage of moderate-income households. The bank faces strong competition within this AA from traditional lenders, as well as nontraditional lenders who cater to those who might not qualify for traditional financing.

Responses to Complaints

FBB did not receive any complaints related to its CRA or fair lending performance in the Bexar County AA during the evaluation period.

Community Development Test

The bank's performance under the CD Test in the state of Texas is rated Outstanding.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank exhibits excellent responsiveness to community development needs in the state through CD loans, qualified investments, and CD services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for CD in the bank's AA.

Number and Amount of Community Development Loans

The Community Development Loans Table, shown below, sets forth the information and data used to evaluate the bank's level of CD lending. The table includes all CD loans, including multifamily loans that also qualify as CD loans.

Community Development Loans				
Assessment Area	Total			
	#	% of Total #	\$(000's)	% of Total \$
Bexar County	5	100	900	100
Total	5	100	900	100

Source: Bank Data 1/1/2018 to 12/31/2021

The level of CD loans originated during the evaluation period reflects adequate responsiveness to CD needs of the AA, relative to the bank's CD lending opportunities. FBB originated five CD loans totaling \$900,000 in the Bexar County AA. Loans were extended to qualified CDFIs, facilitating economic development and community services in the AA. The CD loans include the following:

- Three loans totaling \$600,000 extended to Lift Fund, a CDFI which provides credit, micro loans, and other services to small businesses and entrepreneurs who do not have access to traditional bank lending sources. A majority of their customers are LMI or reside in LMI CTs. As of December 31, 2019, this organization had been in service for 25 years and originated over \$324 million in loans of which \$66 million was in San Antonio.
- Two loans totaling \$300,000 extended to On the Road Lending (OTR) Fund I, LLC. In collaboration with the nonprofit, On the Road Lending, this CDFI's special purpose fund promotes community service by helping solve transportation equity. The entity is dedicated to providing LMI individuals with affordable vehicle loans, vehicle selection assistance, and financial mentoring so they can remain employed and avoid predatory lending. FBB's loans provided funds for eligible OTR Fund borrowers in Bexar County.

Number and Amount of Qualified Investments

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Bexar County	0	0	25	2,656	25	100	2,656	100	0	0
Total	0	0	25	2,656	25	100	2,656	100	0	0
<p>* Prior Period Investments means investments made in a previous evaluation period that are outstanding as of the examination date.</p> <p>** Unfunded Commitments means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.</p>										

The bank's qualified investments and donations reflect excellent responsiveness to the needs identified in the AA and represented a significant increase from efforts reported in the prior evaluation. During the current evaluation period, FBB made five investments totaling \$2,225 million and twenty donations among seven organizations totaling \$431,000. Investments and donations provided funding for LMI community services, economic development through increased access to capital for small businesses, and affordable housing for LMI borrowers. Examples of donations and investments include:

- LiftFund – FBB invested \$250,000 in unsecured securities purchases and made \$23,000 in donations to this organization. LiftFund is a CDFI which provides credit, micro loans, and other services to small businesses and entrepreneurs who do not have access to traditional bank lending sources.
- OTR – FBB made a \$150,000 investment in OTR. This organization is a CDFI whose special purpose equity fund provides LMI individuals with affordable vehicle loans, vehicle selection assistance, and financial mentoring so they can remain employed and avoid predatory lending. This investment in OTR helped to bring the organization into the San Antonio market.
- Good Samaritan Community Service of San Antonio – FBB provided \$142,000 in donations to this organization. This nonprofit organization provides social service programs, including financial literacy, to help individuals overcome the challenge of poverty. In 2019 they served nearly 3,300 individuals in San Antonio through various child and youth development services, education services, scholarships, and senior citizen centers.
- YMCA of Greater San Antonio – FBB made \$95,000 in donations to organization. This nonprofit organization supports communities with a focus on youth development, healthy living, and social responsibility. FBB's donations were in service of the YMCA's Haven for Hope and Southside Early Learning Center locations in San Antonio, with \$50,000 of these funds going to upgrading these locations. These centers provide childcare and education and support services to low-income families and families who are experiencing or at imminent risk of homelessness.
- SaMMinistries – FBB made \$66,000 in donations to the organization. This nonprofit is dedicated to preventing homelessness in San Antonio by providing rent and utility support

and permanent housing for those in need. They keep roughly 350 families out of homelessness every night.

- FBB purchased three mortgage backed security purchases totaling \$1.8 million issued by the Federal Home Loan Mortgage Corporation. The pool of securities represented nine mortgages to LMI borrowers residing in the AA.

Extent to Which the Bank Provides Community Development Services

FBB demonstrated excellent responsiveness to AA needs through CD services. During the evaluation period, bank officers and staff provided 1,576 hours of service to 12 organizations that provide CD services in the AA. This was a marked increase from the performance reported in the prior evaluation and consistent with the needs identified in the AA. Activities included providing leadership and technical expertise through board and committee membership and direct financial education and credit review services to organizations promoting community service and economic development. Examples of CD services conducted during the evaluation period in the AA include:

- Volunteer Income Tax Assistance Program of San Antonio – Two bank employees provided 445 hours to prepare income tax returns for LMI individuals.
- Junior Achievement of South Texas – Two bank employees provided 163 hours of service to deliver financial education directly to LMI students. The organization is a nonprofit that facilitates financial literacy and promotes career preparation and development.
- LiftFund – One bank employee provided 108 hours of service by serving on the entities loan committee. The employee provided financial review and credit evaluation services, in support of lending to small business without access to traditional commercial sources of capital to promote economic development.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and nonmetropolitan areas that received comprehensive examination review (designated by the term “full-scope”) and those that received a less comprehensive review (designated by the term “limited-scope”).

Time Period Reviewed:	1/1/2018-12/31/2021	
Bank Products Reviewed:	Consumer loans Community development loans, qualified investments, community development services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None	Not applicable	Not applicable
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
State of Nevada		
Washoe County	Full-scope	Includes all 112 census tracts inside Washoe County, NV
State of Texas		
Bexar County	Full-scope	Includes all 366 census tracts inside Bexar County, TX

Appendix B: Summary of MMSA and State Ratings

RATINGS (BANK NAME)			
Overall Bank:	Lending Test Rating*	CD Test Rating	Overall Bank/State/Multistate Rating
Farm Bureau Bank, FSB	Satisfactory	Satisfactory	Satisfactory
MMSA or State:			
Nevada	Satisfactory	Satisfactory	Satisfactory
Texas	Satisfactory	Outstanding	Satisfactory

Appendix C: Definitions and Common Abbreviations

The following terms and abbreviations are used in this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending (Aggt.): The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

Census Tract (CT): A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

Combined Statistical Area (CSA): A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

Community Development (CD): Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

Community Reinvestment Act (CRA): The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

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

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

Full-Scope Review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, 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 conduct 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, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

Home Mortgage Loans: A closed-end mortgage loan or an open-end line of credit as these terms are defined under 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Limited-Scope Review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-Income Individual: Individual income that is less than 50 percent of the area median income.

Low Income Geography: A census tract with a median family income that is less than 50 percent.

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 state/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above, and half below, a range of incomes.

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area: An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties 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 percent and less than 120 percent, in the case of a geography.

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

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

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

Rating Area: A rated area is a state or multi-state metropolitan statistical 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 statistical area, the institution will receive a rating for the multi-state metropolitan statistical area.

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

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

Tier 1 Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

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

Appendix D: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.

Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.

Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.

Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.

Table S. Assessment Area Distribution of Loans to Farms by Income Category of the Geography - The percentage distribution of the number of small loans (less than or equal to \$500,000)

to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents aggregate peer data for the years the data is available. Because aggregate small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.

- Table T. Assessment Area Distribution of Loans to Farms by Gross Annual Revenues** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$500 thousand) originated and purchased by the bank to farms with revenues of \$1 million or less to: 1) the percentage distribution of farms with revenues of greater than \$1 million; and, 2) the percentage distribution of farms for which revenues are not available. The table also presents aggregate peer small farm data for the years the data is available.
- Table U. Assessment Area Distribution of Consumer Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households in those geographies.
- Table V. Assessment Area Distribution of Consumer Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of households by income level in each MMSA/assessment area.

State of Nevada

Table U: Assessment Area Distribution of Consumer Loans by Income Category of the Geography													2018-21	
Assessment Area:	Total Consumer Loans			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts		
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	
Nevada														
Washoe County	20	654	100.0	9.4	0.0	19.9	10.0	39.9	40.0	29.8	50.0	1.0	0.0	
Total	20	654	100.0	9.4	0.0	19.9	10.0	39.9	40.0	29.8	50.0	1.0	0.0	

*Source: 2015 ACS Census; 01/01/2018 - 12/31/2021 Bank Data.
Due to rounding, totals may not equal 100.0%*

Table V - Assessment Area Distribution of Consumer Loans by Income Category of the Borrower													2018-21	
Assessment Area:	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income Borrowers		
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	
Nevada														
Washoe County	20	654	100.0	24.6	5.0	15.7	20.0	17.5	20.0	42.1	55.0	0.0	0.0	
Total	20	654	100.0	24.6	5.0	15.7	20.0	17.5	20.0	42.1	55.0	0.0	0.0	

*Source: 2015 ACS Census; 01/01/2018 - 12/31/2021 Bank Data.
Due to rounding, totals may not equal 100.0%*

State of Texas

Table U: Assessment Area Distribution of Consumer Loans by Income Category of the Geography													2018-21	
Assessment Area:	Total Consumer Loans			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts		
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	
Texas														
Bexar County	20	646	100.0	6.7	5.0	33.3	20.0	28.0	35.0	32.0	40.0	0.0	0.0	
Total	20	464	100.0	6.7	5.0	33.3	20.0	28.0	35.0	32.0	40.0	0.0	0.0	

*Source: 2015 ACS Census; 01/01/2018 - 12/31/2021 Bank Data.
Due to rounding, totals may not equal 100.0%*

Table V - Assessment Area Distribution of Consumer Loans by Income Category of the Borrower													2018-21	
Assessment Area:	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income Borrowers		
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	
Texas														
Bexar County	20	646	100.0	25.6	15.0	16.3	5.0	18.0	25.0	40.1	55.0	0.0	0.0	
Total	20	464	100.0	25.6	15.0	16.3	5.0	18.0	25.0	40.1	55.0	0.0	0.0	

*Source: 2015 ACS Census; 01/01/2018 - 12/31/2021 Bank Data.
Due to rounding, totals may not equal 100.0%*