



PUBLIC DISCLOSURE

February 5, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Hometown Bank, National Association
Charter Number 15593

1801 45th Street
Galveston, TX 77550

Office of the Comptroller of the Currency

Two Houston Center
909 Fannin Street, Suite 1900
Houston, TX 77010

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: Outstanding

The major factors that support this rating include:

- The Lending Test rating is based on a reasonable loan-to-deposit (LTD) ratio, a substantial majority of loans originated inside the assessment area (AA), and reasonable geographic and borrower distribution of loans.
- The Community Development (CD) Test rating is based on an excellent amount of CD loans, an adequate level of qualified investments and donations, and an excellent level of CD services.

Loan-to-Deposit Ratio

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

To evaluate the bank’s performance, we identified three similarly situated community banks comparable in asset size. The bank’s quarterly average LTD ratio since the last CRA evaluation was 60 percent, with a low of 53 percent and a high of 70 percent. The comparator quarterly average ratio over the same period was 73 percent.

Lending in Assessment Area

A substantial majority of the bank’s loans are inside its AAs.

The bank originated 96 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		
	#	%	#	%		\$	%	\$	%	
Residential	302	95.0	16	5.0	318	101,841	89.3	12,253	10.7	114,094
Small Business	89	98.9	1	1.1	90	29,897	100.0	8	0.0	29,905
Consumer	89	98.9	1	1.1	90	1,643	99.7	5	0.3	1,648
Total	480	96.4	18	3.6	498	133,381	91.6	12,266	8.4	145,647

Description of Institution

Hometown Bank (Hometown) is a full-service, single-state community bank headquartered in Galveston, Texas. The bank was chartered on June 23, 1966, and is fully owned by Hometown Bancshares, Inc. located in Galveston, Texas.

Texas is the only rating area for Hometown, with the only AA located in the Houston-Pasadena-The Woodlands metropolitan statistical area (MSA). Hometown operates seven locations in the Hometown AA. Each location contains an automated teller machine (ATM) and drive-thru banking facilities. All locations operate accessible hours, generally 9:00 AM through 5:00 PM on Monday through Friday, with additional hours from 9:00 AM until 12:00 PM on Saturday. Except for the Seawall Branch, all locations offer drive-thru hours 7:30 AM through 6:00 PM on Monday through Friday and 9:00 AM through 12:00 PM on Saturdays. The Seawall Branch is closed on Saturday, which is reasonable given the tourist location on Galveston Beach. There were no branch openings or closings during the evaluation period.

As of December 31, 2023, Hometown reported total assets of \$913 million and the tier 1 leverage ratio was 10.7 percent. The net loan portfolio was \$538 million or 59 percent of total assets. Hometown's primary lending focus is real estate, which accounted for 92 percent of net loans and leases. The bank offers a variety of traditional loan and deposit products to retail and commercial customers. Deposit products consist of business and personal checking/saving accounts, remote deposit capture, telephone banking, and mobile banking services.

In 2020, the Small Business Administration established the Paycheck Protection Program (PPP) under the Coronavirus Aid, Relief, and Economic Security Act in response to the COVID-19 pandemic. The goal of the program was to aid small businesses by funding payroll costs, mortgages, rent, and utilities. Hometown originated a total of 810 PPP loans totaling \$72.5 million.

There are no legal or financial circumstances impeding the bank's ability to meet the credit and CD needs within its AAs. The bank was rated "Satisfactory" at the last Community Reinvestment Act (CRA) evaluation dated November 9, 2020.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The evaluation period for the Lending and CD Tests is January 1, 2020, through December 31, 2022. In evaluating the bank's lending performance, we reviewed residential real estate, small business, and consumer loans. Based on an analysis of all loan originations during the evaluation period, residential and business loans totaled 24 percent and 56 percent of total originations by dollar, respectively. By number, consumer loans totaled 46 percent of total originations. We verified the reliability of Home Mortgage Disclosure Act (HMDA) reporting but selected a sample of business and consumer loans.

During the 2020-2021 evaluation period, we compared residential and small business loans to 2021 HMDA aggregate data and 2021 CRA aggregate data, respectively. We performed a separate analysis for 2022 loans due to 2020 U.S. Census demographic changes. In 2022, we compared residential and small business loans to 2022 HMDA aggregate data and 2022 CRA aggregate data, respectively. Aggregate data is not available for consumer lending during any year.

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 AAs located within the same MSA, multistate metropolitan statistical area (MMSA), or combined statistical area 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 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, and where applicable, multistate ratings.

The state of Texas is the only rating area.

The MMSA rating and 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 Texas

CRA rating for the State of Texas: Satisfactory

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Outstanding

The major factors that support this rating include:

- A reasonable geographic distribution of loans,
- A reasonable distribution of loans to individuals of different income levels and businesses of different sizes; and,
- An excellent level of CD loans, adequate level of qualified CD investments and donations, and excellent level of CD services.

Description of Institution's Operations in Texas

Hometown operates seven full-service locations with seven ATMs in Texas. The Hometown AA comprises three contiguous counties surrounding Houston, Texas including all census tracts (CTs) in Brazoria, Harris, and Galveston counties. There are two locations in moderate-income CTs and five locations in upper-income CTs. Given the location of branches, it is slightly more difficult to reach low- and moderate-income (LMI) CTs.

According to the Federal Deposit Insurance Corporation Deposit Market Share data as of June 30, 2023, Hometown held deposits totaling \$791 million in the AA, which represented 0.3 percent market share and ranked the bank 35th of 191 institutions. The three largest institutions in the AA included JP Morgan Chase Bank, Wells Fargo, and Bank of America, which held a combined 64 percent of area deposits. JP Morgan Chase Bank alone held 49 percent.

Community Contacts

We identified two community contacts in the AA to determine credit and CD needs. The two organizations included a corporation that promotes business retention, expansion, and recruitment, as well as an insurance company that provides a wide range of services to the community. Primary needs identified were investments and funding for CD projects as well as a need for small businesses and home mortgage lending.

The following tables provide information on the demographic composition of the Hometown AA for both evaluation periods. Please refer to the tables below for demographic information.

Demographic Information of the Assessment Area						
Assessment Area: Hometown AA (2020-2021)						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	904	17.0	31.0	23.6	27.5	0.9
Population by Geography	4,996,266	14.2	28.6	26.9	29.9	0.3
Housing Units by Geography	1,922,805	14.8	27.6	25.9	31.5	0.3
Owner-Occupied Units by Geography	980,584	6.7	23.8	29.3	40.1	0.1
Occupied Rental Units by Geography	745,320	23.3	31.6	22.4	22.0	0.6
Vacant Units by Geography	196,901	22.6	31.1	21.8	24.1	0.3
Businesses by Geography	519,865	11.5	20.4	22.4	45.5	0.2
Farms by Geography	7,137	6.9	16.8	28.3	47.9	0.1
Family Distribution by Income Level	1,185,112	26.6	16.9	17.1	39.5	0.0
Household Distribution by Income Level	1,725,904	26.6	16.6	16.9	39.9	0.0
Median Family Income MSA - 26420 Houston-The Woodlands-Sugar Land, TX MSA	\$69,373	Median Housing Value				\$168,447
		Median Gross Rent				\$953
		Families Below Poverty Level				14.2%

Source: 2015 ACS and 2021 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.

Demographic Information of the Assessment Area						
Assessment Area: Hometown AA (2022)						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	1,296	16.0	26.3	25.8	28.5	3.4
Population by Geography	5,453,858	13.3	25.8	29.1	30.0	1.9
Housing Units by Geography	2,083,208	13.9	25.4	28.0	30.4	2.2
Owner-Occupied Units by Geography	1,073,502	6.5	21.5	31.8	39.2	1.0
Occupied Rental Units by Geography	811,635	22.7	30.5	23.6	19.8	3.5
Vacant Units by Geography	198,071	18.5	25.6	25.9	26.5	3.5
Businesses by Geography	794,663	10.7	21.2	24.5	41.1	2.6
Farms by Geography	10,170	7.5	18.1	28.7	44.0	1.8
Family Distribution by Income Level	1,291,389	26.0	17.4	18.0	38.7	0.0
Household Distribution by Income Level	1,885,137	26.5	16.6	17.1	39.8	0.0
Median Family Income MSA - 26420 Houston-The Woodlands-Sugar Land, TX MSA	\$81,859	Median Housing Value				\$220,648
		Median Gross Rent				\$1,149
		Families Below Poverty Level				11.9%

Source: 2020 U.S. Census 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.

Scope of Evaluation in Texas

The rating for Texas is based on a full-scope review of the Hometown AA.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN TEXAS

LENDING TEST

The bank's performance under the Lending Test in Texas is rated Satisfactory.

Conclusions for Areas Receiving Full-Scope Reviews

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.

Home Mortgage Loans

Refer to Table O of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The overall geographic distribution of residential loans is excellent.

Hometown AA

During the 2020-2021 evaluation period, the proportion of residential loans in low-income CTs was near to the proportion of owner-occupied housing units but significantly exceeded the aggregate data. The proportion of loans in moderate-income tracts was significantly stronger than both the proportion of owner-occupied housing units and aggregate data. During the 2022 evaluation period, the proportion of residential loans in both LMI tracts was near to the proportion of owner-occupied housing units and exceeded the aggregate data.

Small Loans to Businesses

Refer to Table Q of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

The overall geographic distribution of small loans to businesses is reasonable.

Hometown AA

During the 2020-2021 evaluation period, the proportion of business loans in low-income CTs was significantly below the proportion of both businesses and aggregate data but significantly exceeded both in moderate-income CTs. During the 2022 evaluation period, there were no loan originations in low-income CTs but loan originations in moderate-income CTs were consistent with both the proportion of businesses and aggregate data.

Consumer Loans

Refer to Table U 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 reasonable.

Hometown AA

During the 2020-2021 evaluation period, the proportion of consumer loans in low-income CTs was significantly below the proportion of households but significantly exceeded the proportion of households in moderate-income tracts. During the 2022 evaluation period, there were no loan originations in low-income CTs but the proportion of consumer loans in moderate-income CTs were consistent with the proportion of households.

Lending Gap Analysis

We did not identify any unexplained conspicuous gaps during our review.

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 of different sizes, given the product lines offered by the bank.

Home Mortgage Loans

Refer to Table P of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The overall borrower distribution of residential loans by income level of borrower is reasonable.

Hometown AA

During the 2020-2021 evaluation period, the proportion of loans to low-income borrowers was significantly below the proportion of families and slightly exceeded aggregate data. The proportion of loans to moderate-income borrowers was below the proportion of families and aggregate data but overall reasonable. During the 2022 evaluation period, the proportion of loans to LMI borrowers was significantly below the proportion of families but only slightly lower than aggregate data. Overall, the distribution was reasonable for both evaluation periods; however, a moderate portion of loans did not have income available as noted by 27 percent in 2020-2021 and 24 percent in 2022.

Small Loans to Businesses

Refer to Table R of appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to businesses.

The overall borrower distribution of small loans to businesses by revenue is reasonable.

Hometown AA

During the 2020-2021 evaluation period, the distribution of businesses loans was below the proportion of businesses but significantly exceeded the aggregate data. During the 2022 evaluation period, the distribution of business loans was below the proportion of businesses but near to aggregate data.

Consumer Loans

Refer to Table V 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 borrower distribution of consumer loans is reasonable.

Hometown AA

During the 2020-2021 evaluation period, the distribution of consumer loans to both LMI borrowers was below the proportion of households but overall reasonable. During the 2022 evaluation period, the distribution of consumer loans to low-income borrowers was significantly below the proportion of households; however, the distribution of consumer loans to moderate-income borrowers significantly exceeded the proportion of households. Of note, there was a moderate proportion of borrowers with unverifiable income for both evaluation periods. Specifically, 32 percent of our sample was not available in 2020-2021 while 31 percent of our sample was not available in 2022. A majority of these loans were secured by certificates of deposits.

Responses to Complaints

Hometown did not receive any CRA-related complaints during the evaluation period.

COMMUNITY DEVELOPMENT TEST

The bank's performance under the Community Development Test is rated Outstanding.

Conclusions for Area Receiving a Full-Scope Reviews

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 community development in the bank's AAs.

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.

<i>Community Development Loans</i>				
Assessment Area	Total			
	#	% of Total #	\$(000's)	% of Total \$
Hometown	14	100.0	15,444	100.0
Total	14	100.0	15,444	100.0

During the evaluation period, Hometown demonstrated excellent responsiveness to CD lending by originating 14 loans totaling \$15 million. Of all CD loans, nine loans supported affordable housing, four supported economic development, and one loan helped stabilize a local disaster area. The volume of CD lending in the Hometown AA was equivalent to 15 percent of allocated tier 1 capital.

Number and Amount of Qualified Investments

<i>Qualified Investments</i>								
Assessment Area	Prior Period*		Current Period		Total			
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$
Hometown AA	0	0	62	4,414	62	100.0	4,414	100.0
Total	0	0	62	4,414	62	100.0	4,414	100.0

The Qualified Investment Table, shown above, sets forth the information and data used to evaluate the bank's level of qualified CD investments. The table includes all CD investments, including prior period investments that remain outstanding as of the examination date.

The level of CD investments made during the evaluation period reflects adequate responsiveness. Hometown invested \$4.3 million in 10 investments that helped support community services to LMI individuals. Additional investments included 52 donations totaling \$87,154 to 28 organizations. A majority of these donations help support organizations that provide community services to LMI individuals, with a limited number that supported affordable housing. Both of these CD purposes were identified needs within the AA. Total investments in the Hometown AA totaled \$4.4 million, which represented 4 percent of allocated tier 1 capital.

Extent to Which the Bank Provides Community Development Services

During the evaluation period, eight bank employees provided a total of 1,970 hours of community services to 10 organizations. A majority of the organizations help provide community services that are targeted to LMI individuals, while a limited number helped support economic development. A number of employees held leadership positions through board membership, while other employees provided financial assistance and literacy to organizations that target services to LMI individuals.

* 'Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

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 MSA(s) and non-MSA(s) 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:	01/01/2020 to 12/31/2022	
Bank Products Reviewed:	Home mortgage, small business, consumer loans CD loans, qualified investments, CD services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
NA	NA	NA
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
TEXAS		
Hometown	Full-scope	Brazoria, Harris, and Galveston counties (all in Houston MSA)

Appendix B: Summary of MMSA and State Ratings

RATINGS			
Hometown Bank, National Association			
Overall Bank:	Lending Test Rating*	CD Test Rating	Overall Bank/State/Multistate Rating
Hometown Bank, NA	Satisfactory	Outstanding	Satisfactory
State:			
Texas	Satisfactory	Outstanding	Satisfactory

(*) The Lending Test and Community Development Test carry equal weight in the overall rating.

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/AA.

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, CTs 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 CT 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/AA. 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/AA. 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.

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

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/AA.

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

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Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																				2020-21	
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts				
	#	\$	% 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		
Hometown	201	62,483	100.0	204,747	6.7	6.0	3.7	23.8	35.8	14.1	29.3	22.9	30.7	40.1	35.3	51.5	0.1	0.0	0.1		
Total	201	62,483	100.0	204,747	6.7	6.0	3.7	23.8	35.8	14.1	29.3	22.9	30.7	40.1	35.3	51.5	0.1	0.0	0.1		

*Source: 2015 ACS; 01/01/2020 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%*

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																				2022	
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts				
	#	\$	% 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		
Hometown	101	39,358	100.0	124,404	6.5	5.9	4.8	21.5	18.8	17.1	31.8	37.6	33.3	39.2	37.6	43.9	1.0	0.0	0.9		
Total	101	39,358	100.0	124,404	6.5	5.9	4.8	21.5	18.8	17.1	31.8	37.6	33.3	39.2	37.6	43.9	1.0	0.0	0.9		

*Source: 2020 U.S. Census; 01/01/2022 - 12/31/2022 Bank Data, 2022 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%*

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																				2020-21	
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers				
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate		
Hometown	201	62,483	100.0	204,747	26.6	3.5	2.9	16.9	9.5	12.7	17.1	8.5	18.7	39.5	51.7	42.5	0.0	26.9	23.1		
Total	201	62,483	100.0	204,747	26.6	3.5	2.9	16.9	9.5	12.7	17.1	8.5	18.7	39.5	51.7	42.5	0.0	26.9	23.1		

*Source: 2015 ACS; 01/01/2020 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%*

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																				2022	
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers				
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate		
Hometown	101	39,358	100.0	124,404	26.0	2.0	4.2	17.4	7.9	15.3	18.0	13.9	20.0	38.7	52.5	39.3	0.0	23.8	21.2		
Total	101	39,358	100.0	124,404	26.0	2.0	4.2	17.4	7.9	15.3	18.0	13.9	20.0	38.7	52.5	39.3	0.0	23.8	21.2		

*Source: 2020 U.S. Census; 01/01/2022 - 12/31/2022 Bank Data, 2022 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%*

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																				2020-21	
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts				
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate		
Hometown	69	25,159	100.0	177,817	11.5	2.9	12.1	20.4	31.9	21.4	22.4	27.5	24.0	45.5	37.7	42.3	0.2	0.0	0.2		
Total	69	25,159	100.0	177,817	11.5	2.9	12.1	20.4	31.9	21.4	22.4	27.5	24.0	45.5	37.7	42.3	0.2	0.0	0.2		

*Source: 2021 D&B Data; 01/01/2020 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%*

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																				2022	
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts				
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate		
Hometown	20	4,738	100.0	170,518	10.7	0.0	10.2	21.2	20.0	21.2	24.5	40.0	26.0	41.1	35.0	40.8	2.6	5.0	1.9		
Total	20	4,738	100.0	170,518	10.7	0.0	10.2	21.2	20.0	21.2	24.5	40.0	26.0	41.1	35.0	40.8	2.6	5.0	1.9		

*Source: 2022 D&B Data; 01/01/2022 - 12/31/2022 Bank Data; 2022 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%*

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues												2020-21
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
Hometown	69	25,159	100.0	177,817	87.5	52.2	41.0	4.4	26.1	8.1	21.7	
Total	69	25,159	100.0	177,817	87.5	52.2	41.0	4.4	26.1	8.1	21.7	
<i>Source: 2021 D&B Data; 01/01/2020 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data "--" data not available. Due to rounding, totals may not equal 100.0%</i>												

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues												2022
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
Hometown	20	4,738	100.0	170,518	91.5	40.0	49.1	2.8	40.0	5.6	20.0	
Total	20	4,738	100.0	170,518	91.5	40.0	49.1	2.8	40.0	5.6	20.0	
<i>Source: 2022 D&B Data; 01/01/2022 - 12/31/2022 Bank Data; 2022 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>												

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

Table U: Assessment Area Distribution of Consumer Loans by Income Category of the Geography														2020-21	
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		
Hometown	60	970	100.0	13.9	1.7	27.2	36.7	26.3	30.0	32.3	31.7	0.3	0.0		
Total	60	970	100.0	13.9	1.7	27.2	36.7	26.3	30.0	32.3	31.7	0.3	0.0		

*Source: 2015 ACS; 01/01/2020 - 12/31/2021 Bank Data.
Due to rounding, totals may not equal 100.0%*

Table U: Assessment Area Distribution of Consumer Loans by Income Category of the Geography														2022	
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		
Hometown	29	673	100.0	13.4	0.0	25.4	24.1	28.3	31.0	30.9	44.8	2.1	0.0		
Total	29	673	100.0	13.4	0.0	25.4	24.1	28.3	31.0	30.9	44.8	2.1	0.0		

*Source: 2020 U.S. Census; 01/01/2022 - 12/31/2022 Bank Data.
Due to rounding, totals may not equal 100.0%*

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

Table V - Assessment Area Distribution of Consumer Loans by Income Category of the Borrower														2020-21	
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		
Hometown	60	970	100.0	26.6	16.7	16.6	8.3	16.9	20.0	39.9	23.3	0.0	31.7		
Total	60	970	100.0	26.6	16.7	16.6	8.3	16.9	20.0	39.9	23.3	0.0	31.7		

*Source: 2015 ACS; 01/01/2020 - 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														2022	
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		
Hometown	29	673	100.0	26.5	6.9	16.6	20.7	17.1	17.2	39.8	24.1	0.0	31.0		
Total	29	673	100.0	26.5	6.9	16.6	20.7	17.1	17.2	39.8	24.1	0.0	31.0		

*Source: 2020 U.S. Census; 01/01/2022 - 12/31/2022 Bank Data.
Due to rounding, totals may not equal 100.0%*

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