

# **PUBLIC DISCLOSURE**

August 5, 2024

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Farmers State Bank  
Certificate Number: 13775

100 West Main Street  
Mountain City, Tennessee 37683

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

600 North Pearl Street, Suite 700  
Dallas, Texas 75201

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

## TABLE OF CONTENTS

INSTITUTION RATING .....	1
DESCRIPTION OF INSTITUTION .....	1
DESCRIPTION OF ASSESSMENT AREA.....	2
SCOPE OF EVALUATION.....	4
CONCLUSIONS ON PERFORMANCE CRITERIA.....	6
DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW .....	11
APPENDICES .....	12
SMALL BANK PERFORMANCE CRITERIA.....	12
GLOSSARY.....	13

## INSTITUTION RATING

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

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

- The loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and assessment area (AA) credit needs.
- The institution originated a majority of loans in the AA.
- The geographic distribution of loans reflects reasonable dispersion throughout the AA.
- The distribution of borrowers reflects, given the demographics of the AA, reasonable penetration among individuals of different income levels, including low- and moderate-income (LMI) and businesses of different sizes.
- The institution did not receive any CRA-related complaints since previous evaluation; therefore, this factor did not affect the rating.

## DESCRIPTION OF INSTITUTION

Farmers State Bank (FSB), headquartered in Mountain City, Tennessee, is a community bank that operates under a one-bank holding company, Farmers State Bancshares, Inc.. FSB received a "Satisfactory" rating at its previous FDIC CRA evaluation, dated July 16, 2018, based on Interagency Small Institution Examination Procedures.

FSB operates from three full-service offices in Johnson County in northeast Tennessee, two of which are in moderate-income census tracts (CTs). The bank did not open or close any branches since the previous evaluation.

FSB's primary lending focus includes residential, commercial, and consumer lending, but the bank offers a variety of other loan products such as construction and agricultural loans to meet area credit needs. The bank also provides a variety of deposit services including personal and business checking, and savings accounts.

Alternative banking services include debit cards, internet and mobile banking, and electronic bill payment, and telephone banking. The bank maintains hours typical for the industry and AA and all offices include non-deposit taking automated teller machines.

As of June 30, 2024, assets totaled approximately \$200.8 million and included total loans of \$117.2 million and securities of \$64.4 million. Total deposits were \$171.8 million as of the same date.

Residential loans constitute the largest percentage of outstanding loans followed by commercial loans.

<b>Loan Portfolio Distribution as of 06/30/2024</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction, Land Development, and Other Land Loans	18,427	15.7
Secured by Farmland	3,360	2.8
Secured by 1-4 Family Residential Properties	53,075	45.3
Secured by Multi-Family (5 or more) Residential Properties	6,666	5.7
Secured by Non-farm Non-residential Properties	17,423	14.9
<b>Total Real Estate Loans</b>	<b>98,951</b>	<b>84.4</b>
Commercial and Industrial Loans	10,867	9.3
Agricultural Production and Other Loans to Farmers	443	0.4
Consumer Loans	6,598	5.6
Obligations of States and Political Subdivisions in the United States	0	0.0
Other Loans	325	0.3
Lease Financing Receivables (net of unearned income)	0	0.0
Less: Unearned Income	0	0.0
<b>Total Loans</b>	<b>117,184</b>	<b>100.0</b>
<i>Source: Report of Condition and Income</i>		

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

## **DESCRIPTION OF ASSESSMENT AREA**

The CRA requires each financial institution to define one or more AAs for which examiners will evaluate CRA performance. FSB designated all of Johnson County as its sole AA, which is located in the non-metropolitan statistical areas (non-MSA) of Tennessee. The AA reflects the following income designations according to the 2020 Census data: 3 moderate- and 2 middle-income CTs. The AA conforms to the CRA regulatory requirements.

### **Economic and Demographic Data**

The following table provides additional demographic data for the AA.

<b>Demographic Information of the Assessment Area</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	5	0.0	60.0	40.0	0.0	0.0
Population by Geography	17,948	0.0	63.3	36.7	0.0	0.0
Housing Units by Geography	8,997	0.0	68.8	31.2	0.0	0.0
Owner-Occupied Units by Geography	5,272	0.0	68.3	31.7	0.0	0.0
Occupied Rental Units by Geography	1,707	0.0	73.3	26.7	0.0	0.0
Vacant Units by Geography	2,018	0.0	66.5	33.5	0.0	0.0
Businesses by Geography	1,160	0.0	69.8	30.2	0.0	0.0
Farms by Geography	65	0.0	63.1	36.9	0.0	0.0
Family Distribution by Income Level	4,705	28.3	23.8	15.4	32.6	0.0
Household Distribution by Income Level	6,979	29.8	18.1	18.1	33.9	0.0
Median Family Income Non-MSAs - TN		\$56,418	Median Housing Value			\$133,985
			Median Gross Rent			\$442
			Families Below Poverty Level			16.0%
<i>Source: 2020 Census and 2023 D&amp;B data            Due to rounding, totals may not equal 100.0 percent            (*) The NA category consists of geographies that have not been assigned an income classification</i>						

To determine the borrowers' income designation to analyze home mortgage loans under the borrower profile criterion, examiners used the Federal Financial Institutions Examination Council's (FFIEC's) 2023 estimated-median family income of \$69,500 within the non-MSA areas of Tennessee.

<b>Median Family Income Ranges</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
<b>Tennessee Non-MSA Median Family Income (99999)</b>				
2023 (\$69,500)	<\$34,750	\$34,750 to <\$55,600	\$55,600 to <\$83,400	≥\$83,400
<i>Source: FFIEC</i>				

According to the Tennessee Department of Labor and Workforce Development, major employers in the AA include Northeast Correctional Center, Parkdale Mills, Maymead Inc., and Mountain City Care & Rehab Center.

As shown in the following table, data obtained from the U.S. Bureau of Labor Statistics indicates that the unemployment rates for Johnson County generally remain similar to that of the State and national average.

<b>Unemployment Rates</b>		
<b>Area</b>	<b>December 2022</b>	<b>December 2023</b>
	<b>%</b>	<b>%</b>
Johnson County	3.0	3.0
State of Tennessee	2.9	3.0
National Average	3.3	3.5
<i>Source: U.S. Bureau of Labor Statistics</i>		

### **Competition**

The AA contains a low level of competition for financial services. According to the FDIC Deposit Market Share Report, as of June 30, 2023, the AA contains 3 financial institutions that operated 5 full-service branches. Of these institutions, FSB ranked 1<sup>st</sup> with 52.7 percent of the deposit market share.

### **Community Contact**

As part of the evaluation process, examiners contact a third party active in the AA to assist in identifying the credit needs. This information helps determine local financial institution’s responsiveness to those needs and shows available credit opportunities. Examiners used an existing community contact for the purposes of this evaluation.

The contact noted that credit needs in the area include affordable housing and small business lending. The contact stated that there is a very low supply and high demand in housing with home pricing exceeding the national average. The contact also indicated opportunities exist for banks to support affordable housing programs and small businesses as well as a need for workforce and high-density housing.

### **Credit Needs**

Considering information obtained from the community contact, bank management, as well as demographic and economic data, examiners concluded the primary credit needs of the AA include home mortgage and small business loans.

## **SCOPE OF EVALUATION**

### **General Information**

This evaluation covers the period from the previous evaluation dated July 16, 2018, to the current evaluation dated August 5, 2024. Examiners used the Interagency Small Institution Examination Procedures to evaluate FSB’s CRA performance. The appendix lists the criteria evaluated.

## Activities Reviewed

Small Institution Examination Procedures require examiners to determine the major product lines for review under the Lending Test. As an initial matter, examiners may select from among the same loan categories used for CRA Large Institution evaluations: home mortgage, small business, small farm, and consumer loans. The following table shows FSB's lending activity for 2023.

<b>Loans Originated or Purchased</b>				
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>	<b>#</b>	<b>%</b>
Construction and Land Development	245	1.0	16	3.2
Secured by Farmland	1,307	5.4	12	2.4
Secured by 1-4 Family Residential Properties	12,258	50.4	96	19.4
Multi-Family (5 or more) Residential Properties	0	0.0	0	0.0
Commercial Real Estate Loans	2,386	9.8	28	5.7
Commercial and Industrial Loans	4,946	20.4	61	12.3
Agricultural Loans	186	0.8	10	2.0
Consumer Loans	2,966	12.2	273	55.0
Other Loans	0	0.0	0	0.0
<b>Total Loans</b>	<b>24,294</b>	<b>100.0</b>	<b>496</b>	<b>100.0</b>

*Source: Bank data (1/1/2023 to 12/31/2023)*

Considering the dollar volume and number of loans originated during 2023, as well as management's stated business strategy, examiners determined the major product lines (among those typically considered for CRA) consist of home mortgage, small business, and consumer loans. Since the bank only made a very small percentage of agricultural loans, examiners did not select these products for review. Bank records indicate that the lending focus and product mix remained generally consistent throughout the evaluation period.

Examiners utilized the universes of originated or purchased loans in 2023 for analyzing the AA concentration and geographic distribution performance factors. For borrower profile, examiners used all loans inside the AA and randomly sampled 41 home mortgage loans totaling \$6.8 million from a universe of 71 loans totaling \$15.3 million; all 49 small business loans inside the AA, totaling \$2.3 million; and 55 consumer loans totaling \$578,000 from a universe of 242 loans totaling \$2.6 million.

2020 Census data served as the source of comparison for home mortgage and consumer loans while 2023 D&B demographic data served as the source of comparison for small business loans.

The following table shows the total of loan products reviewed.

Loan Products Reviewed				
Loan Category	Universe		Reviewed	
	#	\$(000s)	#	\$(000s)
Home Mortgage	96	25,117	41	6,842
Small Business	89	7,874	49	2,349
Consumer	273	3,070	55	578
<b>Total</b>	<b>458</b>	<b>36,061</b>	<b>145</b>	<b>9,769</b>

*Source: Bank data (1/1/2023 to 12/31/2023)*

Considering the primary business focus as well as the universe by number and dollar amount among the products reviewed, examiners applied most weight to home mortgage loans followed by small business and consumer loans when arriving at conclusions.

For the Lending Test, examiners reviewed the number and dollar volume of home mortgage, small business, and consumer loans. Examiners focused on performance by number of loans because the number of loans provides a better indicator of the number of individuals and businesses served.

## CONCLUSIONS ON PERFORMANCE CRITERIA

### LENDING TEST

The bank demonstrated a satisfactory performance regarding the Lending Test. Reasonable records regarding LTD ratio, geographic distribution, and borrower profile as well as a majority of loans originated inside the AA support this conclusion.

### Loan-to-Deposit Ratio

The LTD ratio is reasonable (considering seasonal variations and taking into account lending related activities) given the institution's size, financial condition, and AA credit needs.

FSB recorded an average, net LTD ratio of 65.4 percent over the 24 quarters since the previous evaluation. The ratio ranged from a low of 52.7 percent as of March 31, 2022, to a high of 79.6 percent as of September 30, 2019.

Examiners identified and listed in the following table three similarly-situated institutions operating in a similar area or reflecting comparable asset sizes and lending emphases.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 06/30/2024 (\$000s)	Average Net LTD Ratio (%)
Farmers State Bank, Mountain City, Tennessee	200,772	65.4
Citizens Bank and Trust Company of Grainger County, Rutledge, Tennessee	265,262	33.6
Johnson County Bank, Mountain City, Tennessee	159,557	63.0
First Community Bank of East Tennessee, Rogersville, Tennessee	207,340	75.4

*Source: Reports of Condition and Income (9/30/2018 to 6/30/2024)*

### **Assessment Area Concentration**

A majority of loans and other lending related activities are in the institution's AA.

The following table shows FSB originated a majority of home mortgage and consumer loans, by both number and dollar volume, and a majority of small business loans by number within the AA. The low percentage by dollar volume of small business loans within the AA is primarily attributed to the Bankers Health Care Group purchased loans.

<b>Lending Inside and Outside of the Assessment Area</b>										
<b>Loan Category</b>	<b>Number of Loans</b>				<b>Total #</b>	<b>Dollar Amount of Loans</b>				<b>Total \$</b>
	<b>Inside</b>		<b>Outside</b>			<b>Inside</b>		<b>Outside</b>		
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>		<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>	
Home Mortgage	71	74.0	25	26.0	96	15,272	60.8	9,845	39.2	25,117
Small Business	49	55.1	40	44.9	89	2,349	29.8	5,525	70.2	7,874
Consumer	242	88.6	31	11.4	273	2,630	85.7	440	14.3	3,070
<b>Totals</b>	<b>362</b>	<b>79.0</b>	<b>96</b>	<b>21.0</b>	<b>458</b>	<b>20,251</b>	<b>56.2</b>	<b>15,810</b>	<b>43.8</b>	<b>36,061</b>

*Source: Bank data (1/1/2023 to 12/31/2023)  
Due to rounding, totals may not equal 100.0 percent*

### **Geographic Distribution**

The geographic distribution of loans reflects reasonable dispersion throughout the AA. Reasonable performances regarding home mortgage, small business, and consumer loans support this conclusion.

#### ***Home Mortgage Loans***

The geographic distribution of home mortgage loans reflects reasonable penetration throughout the AA. The reasonable performance in moderate-income CTs supports this conclusion.

The following table shows that the level of lending in the moderate-income CTs trails demographic data by 3.5 percentage points, reflecting reasonable performance.

<b>Geographic Distribution of Home Mortgage Loans</b>					
<b>Tract Income Level</b>	<b>% of Owner-Occupied Housing Units</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	0.0	0	0.0	0	0.0
Moderate	68.3	46	64.8	9,494	62.2
Middle	31.7	25	35.2	5,778	37.8
Upper	0.0	0	0.0	0	0.0
Not Available	0.0	0	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>71</b>	<b>100.0</b>	<b>15,272</b>	<b>100.0</b>

*Source: 2020 Census data and 2023 Bank data  
Due to rounding, totals may not equal 100.0 percent*

### ***Small Business Loans***

The geographic distribution of small business loans reflects reasonable penetration throughout the AA. The reasonable performance in moderate-income CTs supports this conclusion.

The following table shows that in moderate-income CTs, the lending trails D&B data by 6.5 percentage points, reflecting reasonable performance.

<b>Geographic Distribution of Small Business Loans</b>					
<b>Tract Income Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	0.0	0	0.0	0	0.0
Moderate	69.8	31	63.3	1,605	68.3
Middle	30.2	18	36.7	744	31.7
Upper	0.0	0	0.0	0	0.0
Not Available	0.0	0	0.0	0	0.0
<b>Totals</b>	<b>100.0</b>	<b>49</b>	<b>100.0</b>	<b>2,349</b>	<b>100.0</b>

*Source: 2023 D&B data and 2023 Bank data  
Due to rounding, totals may not equal 100.0 percent*

### ***Consumer Loans***

The geographic distribution of consumer loans reflects reasonable penetration throughout the AA. The reasonable performance in moderate-income CTs supports this conclusion.

The following table shows that in moderate-income CTs, the lending trails demographic data by 0.5 percentage points, reflecting reasonable performance.

<b>Geographic Distribution of Consumer Loans</b>					
<b>Tract Income Level</b>	<b>% of Households</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	0.0	0	0.0	0	0.0
Moderate	69.5	167	69.0	1,856	70.6
Middle	30.5	75	31.0	774	29.4
Upper	0.0	0	0.0	0	0.0
Not Available	0.0	0	0.0	0	0.0
<b>Totals</b>	<b>100.0</b>	<b>242</b>	<b>100.0</b>	<b>2,630</b>	<b>100.0</b>
<i>Source: 2020 Census data and 2023 Bank data. Due to rounding, totals may not equal 100.0 percent</i>					

### **Borrower Profile**

The distribution of borrowers reflects, given the demographics of the AA, reasonable penetration among individuals of different income levels (including LMI) and businesses of different sizes in the AA. Excellent performance among small business loans, reasonable performance among consumer loans, and poor performance among home mortgage loans support this conclusion.

### ***Home Mortgage Loans***

The distribution of home mortgage loans reflects, given the demographics of the AA, poor penetration among individuals of different income levels. Poor performance to low-income borrowers outweighed the reasonable performance to moderate-income borrowers to support this conclusion.

As reflected in the following table, the level of lending to low-income borrowers falls below demographic data by 18.6 percentage points, reflecting very poor performance. Examiners considered that 16.0 percent of families in the AA fall below the poverty level, and these individuals typically do not qualify for traditional financing, which limits the opportunity to lend to individuals in this category. Considering this performance context, the lending level is considered poor. The performance to moderate-income borrowers rises above demographic data by 5.5 percentage points, reflecting reasonable performance. Examiners placed more weight on lending to low-income borrowers since there is a higher percent of families in this income category, even after considering the poverty level. The higher percentage represents more opportunities for lending.

<b>Distribution of Home Mortgage Loans by Borrower Income Level</b>					
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	28.3	4	9.7	70	1.0
Moderate	23.8	12	29.3	2,278	33.3
Middle	15.4	10	24.4	1,925	28.1
Upper	32.6	15	36.6	2,569	37.6
Not Available	0.0	0	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>41</b>	<b>100.0</b>	<b>6,842</b>	<b>100.0</b>

*Source: 2020 Census data and 2023 Bank data  
Due to rounding, totals may not equal 100.0 percent*

### ***Small Business Loans***

The distribution of small business loans reflects excellent penetration to businesses of different sizes. The excellent level of lending to businesses with gross annual revenues (GARs) of \$1.0 million or less supports this conclusion.

The following table shows that the bank originated almost all small business loans to businesses with GARs of \$1.0 million or less, reflecting excellent performance. The performance exceeds D&B data by 11.7 percentage points, further supporting excellent performance.

<b>Distribution of Small Business Loans by Gross Annual Revenues</b>					
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
< \$100,000	59.5	26	53.1	836	35.6
\$100,000 - \$249,999	21.6	16	32.7	854	36.4
\$250,000 - \$499,999	3.5	5	10.2	571	24.3
\$500,000 - \$1,000,000	1.7	1	2.0	68	2.9
<b>Subtotal &lt;= \$1,000,000</b>	<b>86.3</b>	<b>48</b>	<b>98.0</b>	<b>2,329</b>	<b>99.2</b>
>\$1,000,000	2.8	1	2.0	20	0.9
Revenue Not Available	10.9	0	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>49</b>	<b>100.0</b>	<b>2,349</b>	<b>100.0</b>

*Source: 2023 D&B data and 2023 Bank data  
Due to rounding, totals may not equal 100.0 percent*

### ***Consumer Loans***

The distribution of consumer loans reflects, given the demographics of the AA, reasonable penetration among individuals of different income levels. Reasonable performance to low-income borrowers outweighed the excellent performance to moderate-income borrowers to support this conclusion.

As reflected in the following table, the level of lending to low-income borrowers rises above demographic data by 4.8 percentage points, reflecting reasonable performance. The performance to

moderate-income borrowers rises above demographic data by 12.8 percentage points, reflecting excellent performance. Examiners placed more weight on lending to low-income borrowers since there is a higher percent of households for this income category, representing more opportunities for lending.

<b>Distribution of Consumer Loans by Borrower Income Category</b>					
<b>Borrower Income Level</b>	<b>% of Households</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	29.8	19	34.6	126	21.8
Moderate	18.1	17	30.9	164	28.4
Middle	18.2	12	21.8	150	25.9
Upper	33.9	5	9.1	107	18.5
Not Available	0.0	2	3.6	31	5.4
<b>Totals</b>	<b>100.0</b>	<b>55</b>	<b>100.0</b>	<b>578</b>	<b>100.0</b>
<i>Source: 2020 Census data and 2023 Bank data Due to rounding, totals may not equal 100.0 percent</i>					

**Response to Complaints**

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

**DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

Examiners did not identify any evidence of discriminatory or other illegal credit practices; therefore, this consideration did not affect the overall CRA rating.

## APPENDICES

### SMALL BANK PERFORMANCE CRITERIA

#### Lending Test

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

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

## GLOSSARY

**Aggregate Lending:** The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

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

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

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

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

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

**Consumer Loan(s):** A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

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

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

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

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

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

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

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

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

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

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

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

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

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

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

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

**Middle-Income:** Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 and less than 120 percent in the case of a geography.

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

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

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

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

**Rated Area:** A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

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

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

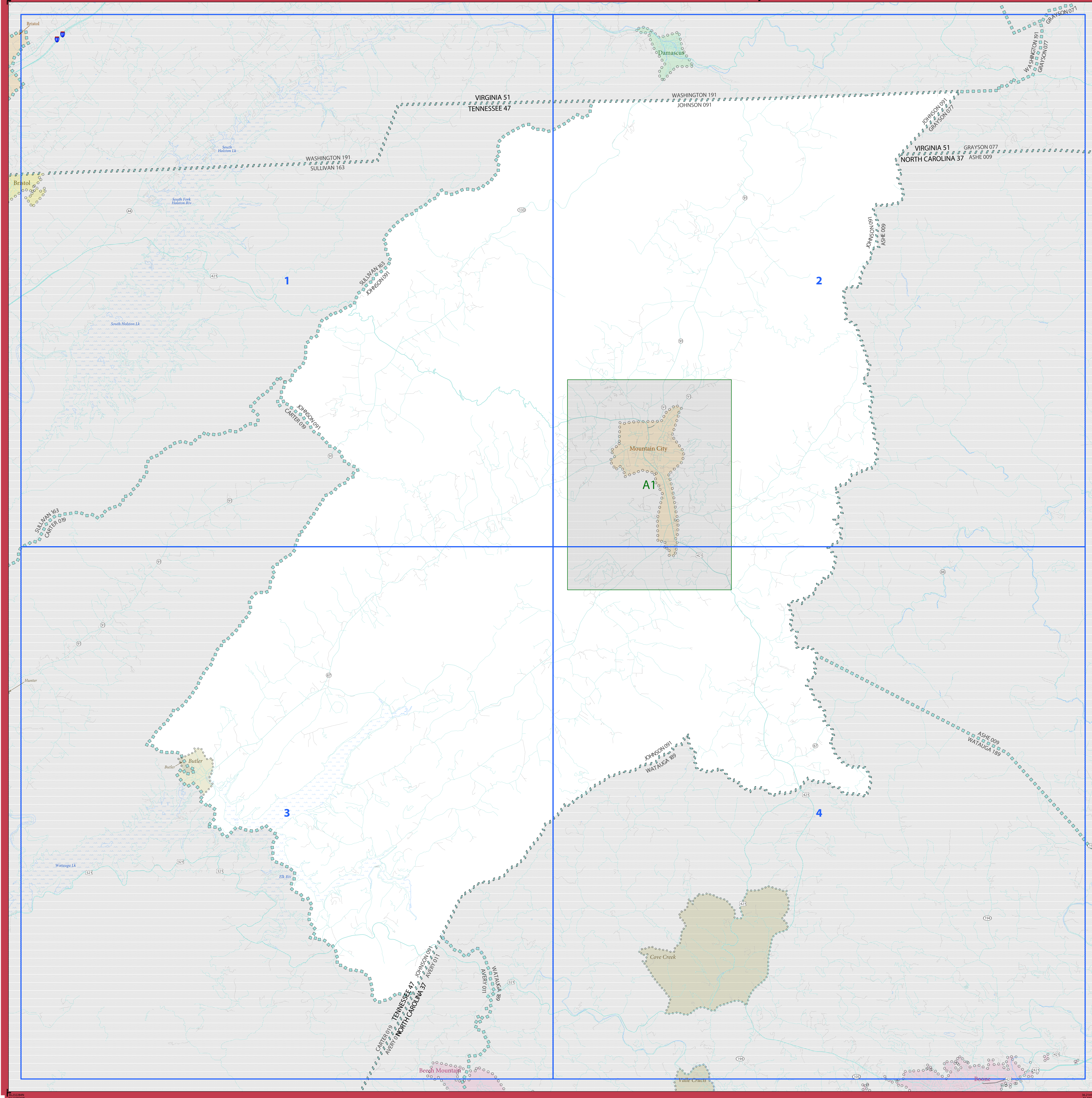
**Small Farm Loan:** A loan included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, including farm residential and other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

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

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

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

# GOVERNMENTAL UNIT REFERENCE MAP (2024): Johnson County, TN



### LEGEND

SYMBOL DESCRIPTION	SYMBOL	LABEL STYLE
Federal American Indian Reservation	Star pattern	L'ANSE RESERVATION (TA 1880)
Off-Reservation Trust Land	Star pattern	T1880
American Indian Tribal Subdivision	Star pattern	SHONTO (620)
Alaska Native Regional Corporation (ANRC)	Star pattern	NANA ANRC 52120
State (or statistically equivalent entity)	Dashed line	NEW YORK 36
County (or statistically equivalent entity)	Dashed line	ERIE 029
Minor Civil Division (MCD) <sup>1</sup>	Dashed line	Lee town 41460
Census County Division (CCD) <sup>2</sup>	Dashed line	Jemez CCD 91650
Consolidated City	Blue circle	MILFORD 47500
Incorporated Place <sup>3</sup>	Yellow circle	Davis 18100
Census Designated Place (CDP) <sup>2</sup>	Yellow circle	Cochiti 16560

DESCRIPTION	SYMBOL	DESCRIPTION	SYMBOL
Interstate	Blue line with shield	Water Body	Blue wavy line
U.S. Highway	Black line with shield	Glacier	Blue wavy line with dots
State Highway	Black line with shield	Airport, Airfield, or Helicopter Landing Pad	Red star
Other Road	Black line	College or University	Red star
Cal-de-sac	Black line	Military	Red star
Circle	Black circle	Prison or Juvenile Detention Center	Red star
Geographic Offset or Corridor	Red line	Cemetery	Green star
4WD Trail, Stairway, Alley, Walkway, or Ferry	Red line	Golf Course	Green star
Railroad	Black line with cross-ticks	National Park or Forest	Green star
Pipeline or Power Line	Black line with cross-ticks	Other Park	Green star
Ridge or Fence	Black line with cross-ticks	Outside Subject Area	Grey fill
Property Line or Nonvisible Boundary	Black line with cross-ticks	Inset Area	Green fill
Perennial Stream	Blue line		
Intermittent Stream	Blue line		
Mountain Peak or Hill	Black triangle		

Where state, county, and/or MCD/CCD boundaries coincide, the map shows the boundary symbol for only the highest-ranking of these boundaries. Entity names are followed by either their FIPS code or census code; parentheses indicate a census code.

1 "MCD" indicates a false MCD. These are for Census Bureau use only.  
 2 The CCD and CDP boundaries represent statistical entities only and are not updated through the BAS.  
 3 Incorporated place name color corresponds to the incorporated place fill color.

Due to space limitations, some road names, along with other feature and geography names on the map, may not be shown.  
 The Census Bureau stores primary and alternate road names, but only primary road names are used to label the roads on these maps.

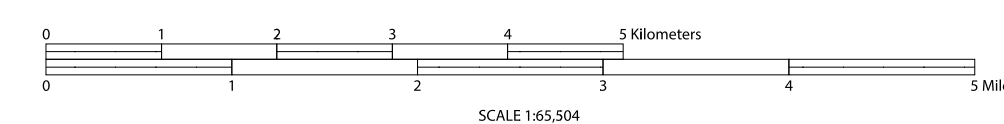
Note: This index map sheet provides the map sheet configuration in relation to the subject entity. Due to scale limitations, map content may be simplified. Refer to parent and/or inset map sheets for detailed map content.

All legal boundaries and names are as reported through the 2024 Boundary and Annexation Survey (BAS). The boundaries shown on this map are for Census Bureau statistical data collection and tabulation purposes only; their depiction and designation for statistical purposes does not constitute a determination of jurisdictional authority or rights of ownership or entitlement.

Data Source: U.S. Census Bureau's MAF/TIGER system (BAS25), November 2024  
 Created by Geography Division: December 05, 2024

U.S. DEPARTMENT OF COMMERCE U.S. Census Bureau

Projection: Albers Equal Area Conic  
 Datum: NAD 83  
 Spheroid: GRS 80  
 1st Standard Parallel: 35 16 28  
 2nd Standard Parallel: 36 23 50  
 Central Meridian: 85 58 43  
 Latitude of Projection's Origin: 34 59 38  
 False Easting: 0  
 False Northing: 0



Boundary and Annexation Survey (BAS) ID: 2470910000

PDF versions of the BAS maps are available at: [www.census.gov/programs-surveys/bas/geographies.html](http://www.census.gov/programs-surveys/bas/geographies.html)

For more information, or to request additional maps, please email [geo.bas@census.gov](mailto:geo.bas@census.gov), call 1-800-972-5651, or visit [www.census.gov/programs-surveys/bas.html](http://www.census.gov/programs-surveys/bas.html).

Total Sheets: 6 (Index 1; Parent 4; Inset 1)

NAME: Johnson County (091)  
 ENTITY TYPE: County or statistically equivalent entity  
 ST: Tennessee (47)

INDEX OR PARENT SHEET #: 000  
 INSET SHEET #: 000000

2024 COUNTY REF MAP (INDEX)



	12/31/2025			12/31/2024			12/31/2023			12/31/2022			12/31/2021		
	BANK	PG 6	PCT	BANK	PG 6	PCT	BANK	PG 6	PCT	BANK	PG 6	PCT	BANK	PG 6	PCT
<b>Earnings and Profitability</b>															
<b>Percent of Average Assets:</b>															
Interest Income (TE)	4.79	5.36	24	4.35	5.17	18	3.96	4.63	21	3.49	3.6	43	3.62	3.54	56
- Interest Expense	1.26	1.63	25	1.32	1.71	26	0.76	1.17	22	0.22	0.34	28	0.25	0.31	41
Net Interest Income (TE)	3.52	3.72	39	3.03	3.45	30	3.2	3.44	39	3.27	3.25	52	3.37	3.21	61
+ Noninterest Income	0.51	0.42	70	0.53	0.43	70	0.5	0.47	62	0.48	0.46	59	0.49	0.56	54
- Noninterest Expense	2.8	2.66	62	2.8	2.6	65	2.81	2.57	66	2.63	2.43	64	2.78	2.46	72
Pre-Provision Net Revenue (TE)	1.23	1.52	33	0.76	1.32	21	0.89	1.39	24	1.12	1.3	37	1.08	1.36	31
- Provision: Credit Losses	0.09	0.09	62	0.07	0.07	61	0.07	0.06	65	0	0.05	39	0.05	0.07	53
- Provision: Credit Loss Oth Assets	0.03	0	93	0	0	79	0	0	81	N/A	0	N/A	N/A	0	N/A
Pretax Operating Income (TE)	1.11	1.4	34	0.69	1.23	20	0.82	1.3	24	1.12	1.24	41	1.03	1.29	32
+ Realized Gains/Losses Sec	0	0	92	0	0	17	0.07	-0.01	99	-0.03	0	10	0	0.01	69
+ Unrealized Gains / Losses Equity Sec	0	0	92	0	0	87	0	0	85	0	0	93	0	0	88
Pretax Net Operating Income (TE)	1.11	1.39	35	0.69	1.22	21	0.89	1.28	29	1.09	1.23	40	1.04	1.3	32
Net Operating Income	0.86	1.19	30	0.54	1.04	20	0.7	1.1	26	0.87	1.05	36	0.83	1.12	28
Net Inc Attrib to Min Ints	0	0	99	0	0	99	0	0	99	0	0	99	0	0	99
Net Income Adjusted Sub S	0.86	1.09	34	0.54	0.95	22	0.7	1	30	0.87	0.96	42	0.83	1.02	32
Net Income	0.86	1.19	30	0.54	1.04	20	0.7	1.1	26	0.87	1.05	36	0.83	1.12	28
<b>Margin Analysis:</b>															
Avg Earning Assets to Avg Assets	96.83	95.82	64	97.11	96.25	63	96.14	96.52	45	94.49	95.77	30	89.91	94.37	10
Avg Int-Bearing Funds to Avg Assets	66.15	68.18	38	63.28	68.34	26	66.42	67.25	44	66.48	65.91	51	61.8	65.69	30
Int Inc (TE) to Avg Earn Assets	4.94	5.61	24	4.48	5.39	17	4.12	4.8	23	3.69	3.77	46	4.03	3.77	66
Int Expense to Avg Earn Assets	1.31	1.71	25	1.36	1.78	26	0.79	1.21	22	0.23	0.36	29	0.28	0.33	43
Net Int Inc-TE to Avg Earn Assets	3.64	3.89	36	3.13	3.6	29	3.33	3.57	40	3.46	3.41	54	3.75	3.42	70
<b>Loan &amp; Lease Analysis:</b>															
Net Loss to Average Total LN&LS	0.01	0.07	47	0.01	0.05	44	0	0.04	45	0.02	0.02	66	0.04	0.03	71
Earnings Coverage of Net Losses (X)	147.39	110.3	74	168.22	104.81	78	343.8	151.74	82	108.85	167.71	60	51.47	123.11	50
ACL on LN&LS HFI to LN&LS HFI	1.27	1.27	55	1.26	1.29	53	1.21	1.32	44	1	1.33	23	1.12	1.42	26
ACL on LN&LS HFI to Net Losses (X)	96.83	59.48	78	172.67	64.2	85	283	93.54	86	51.9	95.95	56	27.84	70.52	48
ACL on LN&LS HFI to Nonaccrual LN&LS (X)	11.54	7.9	79	12.95	9.37	77	8.47	10.43	68	3.86	10.62	48	3.95	9.81	54
30-89 Days Past Due	0.24	0.7	34	0.15	0.69	29	0.24	0.54	40	0.19	0.47	40	0.34	0.42	55
Total LN&LS-90+ Days PD & Nonaccrual	0.14	0.61	34	0.11	0.54	35	0.16	0.39	44	0.26	0.39	53	0.28	0.5	47
Non-Curr Lns+OREO to Lns+OREO	0.14	0.69	31	0.11	0.6	32	0.16	0.44	40	0.26	0.45	49	0.31	0.6	45
<b>Liquidity</b>															
Net Non Core Fund Dep New \$250M	9.69	1.37	70	4.95	1.97	55	10.24	2.47	69	7.42	-2.18	73	7.53	-11.09	89
Net Loans & Leases to Assets	59.19	62.97	37	56.34	62.42	33	55.99	61.19	36	51.38	58.85	32	48.48	54.65	33
Net Loans & Leases to Deposits	68.73	73.73	37	62.46	72.72	29	62.38	71.76	32	56.9	67.42	30	56.68	62.98	36
<b>Capitalization</b>															
Leverage Ratio	12.33	11.49	66	13.2585	11.33	77	13.4221	11.22	80	13.3055	10.8	84	13.1125	10.35	86
Total Capital Ratio	19.8831	17.71	71	19.8396	17.63	72	20.0603	17.38	74	21.166	17.3	78	24.7403	17.54	87
Cash Dividends to Net Income	27.54	39.98	31	42.72	42.04	47	34.05	40.3	39	27.35	37.1	35	31.21	38.3	38
Non-Curr Lns+OREO to T1 Capital+ACL	0.65	3.55	31	0.48	3.04	31	0.66	2.28	37	0.99	2.25	44	1.13	2.91	39
<b>Growth Rates</b>															
Total Assets	5.89	5.36	59	4.95	3.29	62	3.54	3.1	55	3.24	2.42	58	14.51	10.39	75
Tier 1 Capital	5.03	6.07	42	3.76	5.16	38	1.67	6.04	17	4.28	6.82	32	4.35	7.29	31
Net Loans & Leases	11.24	6.12	75	5.61	6.21	49	12.82	7.96	73	9.41	10.88	46	-0.34	2.84	38
Short Term Investments	-97.09	18.36	0	236.61	29.14	93	296.46	22.64	95	64.49	-28.92	92	-81	11.69	1
Short Term Non Core Funding	-22	11.88	17	27.81	25.88	57	63.99	120.23	45	12.8	57.13	44	79.17	4.42	87
Average Total Assets	223,717			204,200			200,678			199,557			183,402		
Net Income	1,917			1,112			1,395			1,737			1,522		
Number of banks in Peer Group	1,126			1,176			1,246			1,295			1,364		

**Services Offered**  
**By**  
**Farmers State Bank**  
**Mountain City, Tennessee**  
**At All Locations**

- Loans (All locations except the 421 Branch on Saturdays)
- Direct Deposits
- E-Statements
- Checking Accounts
- NOW Accounts
- Money Market Accounts
- Savings Accounts
- Christmas Club
- Certificates of Deposit
- IRA's
- Safe Deposit Boxes
- Night Deposit Services
- Cashier's Checks
- Wire Transfers
- ATM's At All Locations
- Debit Cards including Instant Issue
- Telephone Banking
- On-Line Banking
- Mobile Banking including Remote Deposit Capture, Bill Pay and Person to Person Payments.
- Notary Services
- Medallion Stamp Guaranty Services (Main Office Only)

**LISTING OF FARMERS STATE BANK  
LOCATIONS**

---

**Main Office**  
100 West Main Street  
Mountain City, TN 37683

**Hours:** 9 AM to 4:30 PM. Monday thru  
Thursday. Fridays 9 AM to 5 PM. Closed on  
Saturdays. Drive Thru opens at 8:30 AM

**421 Branch & ATM**  
889 South Shady Street  
Mountain City, TN 37683

**Hours:** 9 AM to 4:30 PM - Monday thru  
Thursday. 9 AM to 5:00 PM Fridays. Open  
Saturday at 9 AM to 12 Noon. Drive-Thru  
opens at 8:30 AM.

**Butler Branch & ATM**  
130 Main Street  
Butler, TN 37640

**Hours:** 9 AM to 4:30 PM - Monday thru  
Thursday. 9 AM to 5PM on Fridays.  
Closed on Saturdays. Drive-Thru opens at  
8:30 AM.

Each of the above offices offer all services with the exception of Trust Services. Wire Transfers are available only at the Main Office. The Main Branch has a Loan Officer on the Staff, and offer all services with the exception of what is shown above.

# **Farmers State Bank**

## **Statement of Branch Openings and Closings**

**During the Year of 2023 - Farmers State Bank did not open or close any of its Branch Offices**

**During the Year of 2024- Farmers State Bank did not open or close any of its Branch Offices**

**During the Year of 2025- Farmers State Bank did not open or close any of its Branch Offices**

## **Personal Checking**

This is a demand deposit account utilizing preprinted checks and deposit tickets and receiving a monthly statement. This is a non-interest bearing account.

**Requirements:** \$100.00 to open the account. Any customer without an established portfolio is required to fill out an application.

**Account-Related Fees:** A service charge of \$6.00 will be imposed every statement cycle if the balance in the account falls below \$500.00 on any day within the cycle. This fee will be waived if you have a combined daily balance of \$1,000.00 in any deposit account.

**ODP Limit:** This account has a \$700 overdraft limit assigned after all eligibility requirements are satisfied.

## **Non-Personal Checking**

This is a demand deposit account utilizing preprinted checks and deposit tickets and receiving a monthly statement. This is a non-interest bearing account.

**Requirements:** \$1,000.00 to open the account. Any customer without an established portfolio is required to fill out an application.

**Account-Related Fees:** A service charge of \$5.00 will be imposed every statement cycle if the balance in the account falls below \$1,000.00 on any day within the cycle.

**ODP Limit:** This account has a \$1500 overdraft limit assigned after all eligibility requirements are satisfied.

## **Student Checking**

This is a demand deposit account utilizing preprinted checks and deposit tickets and receiving a monthly statement. This is a non-interest bearing account.

**Requirements:** Customer must be currently enrolled as a student. \$100.00 to open the account. Any customer without an established portfolio is required to fill out an application.

**ODP Limit:** This account has a \$700 overdraft limit assigned after all eligibility requirements are satisfied (including being at least age 18).

### **Personal NOW**

This is a demand deposit account utilizing preprinted checks and deposit tickets and receiving a monthly statement. This is an interest bearing account.

**Requirements:** \$1,000.00 to open the account. Any customer without an established portfolio is required to fill out an application.

**Account-Related Fees:** A service charge of \$7.00 will be imposed every statement cycle if the balance in the account falls below \$1,000.00 on any day within the cycle.

**Rate Information:** Your interest rate and annual percentage yield may change.

**Frequency of Rate Changes:** We may change the interest rate on your account at any time.

**Determination of Rate:** At our discretion, we may change the interest rate on your account.

**Compounding and Crediting Frequency:** Interest will be compounded every statement cycle. Interest will be credited to your account every statement cycle.

**Daily Balance Computation Method:** We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day.

**Accrual of Interest on noncash deposits:** Interest begins to accrue on the business day you deposit noncash items (for example, checks).

**ODP Limit:** This account has a \$700 overdraft limit assigned after all eligibility requirements are satisfied.

### **Non-Personal NOW**

This is a demand deposit account utilizing preprinted checks and deposit tickets and receiving a monthly statement. This is an interest bearing account.

**Requirements:** \$1,000.00 to open the account. Any customer without an established portfolio is required to fill out an application.

**Account-Related Fees:** A service charge of \$7.00 will be imposed every statement cycle if the balance in the account falls below \$1,000.00 on any day within the cycle.

**Rate Information:** Your interest rate and annual percentage yield may change.

**Frequency of Rate Changes:** We may change the interest rate on your account at any time.

**Determination of Rate:** At our discretion, we may change the interest rate on your account.

**Compounding and Crediting Frequency:** Interest will be compounded every statement cycle. Interest will be credited to your account every statement cycle.

**Daily Balance Computation Method:** We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day.

**Accrual of Interest on noncash deposits:** Interest begins to accrue on the business day you deposit noncash items (for example, checks).

**ODP Limit:** This account has a \$1,500 overdraft limit assigned after all eligibility requirements are satisfied.

### **Senior Citizen Checking**

This is a demand deposit account utilizing preprinted checks and deposit tickets and receiving a monthly statement. This is a non-interest bearing account.

**Requirements:** Customer must be age 62 or older. \$100.00 to open the account. Any customer without an established portfolio is required to fill out an application.

**ODP Limit:** This account has a \$700 overdraft limit assigned after all eligibility requirements are satisfied.

### **Main Street Checking**

This is a demand deposit account with special checking privileges utilizing preprinted checks and deposit tickets and receiving a monthly statement. This is a non-interest bearing account.

**Requirements:** \$100.00 to open the account. Any customer without an established portfolio is required to fill out an application.

**Main Street Monthly Fee:** A Main Street monthly fee of \$6.00 will be imposed every statement cycle for the insurance plan provided.

**ODP Limit:** This account has a \$700 overdraft limit assigned after all eligibility requirements are satisfied.

**Special Privileges:**

- Accidental Death Insurance
  - 24-Hour Insurance           \$5,000
  - Common Carrier           \$50,000
  - Private Passenger Auto    \$10,000
- No minimum balance and unlimited check writing
- 150 free personal standard checks with other styles at a reduced rate
- Cashiers and Travelers Checks issued without charge
- Safe Deposit Box at one-half price
- Other benefits include travel benefits, security benefits, and shopping benefits

**Insurance Products are:**

- NOT A DEPOSIT
- NOT FDIC-INSURED
- NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY
- NOT GUARANTEED BY THE BANK

## **Main Street NOW**

This is a demand deposit account with special checking privileges utilizing preprinted checks and deposit tickets and receiving a monthly statement. This is an interest bearing account.

**Requirements:** \$1,000.00 to open the account. Any customer without an established portfolio is required to fill out an application.

**Main Street Monthly Fee:** A Main Street monthly fee of \$7.00 will be imposed every statement cycle if the balance in the account falls below \$1,000.00 on any day within the cycle. Also, a service charge of \$6.00 will be imposed every statement cycle for the insurance plan provided.

**ODP Limit:** This account has a \$700 overdraft limit assigned after all eligibility requirements are satisfied.

### **Special Privileges:**

- Accidental Death Insurance
  - 24-Hour Insurance           \$5,000
  - Common Carrier           \$50,000
  - Private Passenger Auto    \$10,000
- No minimum balance and unlimited check writing
- 150 free personal standard checks with other styles at a reduced rate
- Cashiers and Travelers Checks issued without charge
- Safe Deposit Box at one-half price
- Other benefits include travel benefits, security benefits, and shopping benefits

### **Insurance Products are:**

- NOT A DEPOSIT
- NOT FDIC-INSURED
- NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY
- NOT GUARANTEED BY THE BANK

## **Simple Checking**

This is a demand deposit account utilizing preprinted checks and deposit tickets and receiving a monthly statement. Checks are not returned and no images are provided with the statement. This is a non-interest bearing account.

**Requirements:** \$25.00 to open the account. Any customer without an established portfolio is required to fill out an application.

**ODP Limit:** This account has a \$400 overdraft limit assigned after all eligibility requirements are satisfied.

## **Non-Profit Checking**

This is a demand deposit account utilizing preprinted checks and deposit tickets and receiving a monthly statement. This is a non-interest bearing account.

**Requirements:** Customer must be a non-profit organization. \$100.00 to open the account. Any customer without an established portfolio is required to fill out an application.

## **Personal Money Market**

This is a demand deposit account utilizing preprinted checks and deposit tickets and receiving a monthly statement. This is an interest bearing account.

**Requirements:** \$2,500.00 to open the account. Any customer without an established portfolio is required to fill out an application.

**Account-Related Fees:** A service charge of \$7.00 will be imposed every statement cycle if the balance in the account falls below \$2,500.00 on any day within the cycle.

**Rate Information:** Your interest rate and annual percentage yield may change.

**Frequency of Rate Changes:** We may change the interest rate on your account at any time.

**Determination of Rate:** At our discretion, we may change the interest rate on your account.

**Compounding and Crediting Frequency:** Interest will be compounded every statement cycle. Interest will be credited to your account every statement cycle.

**Daily Balance Computation Method:** We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day.

**Accrual of Interest on noncash deposits:** Interest begins to accrue on the business day you deposit noncash items (for example, checks).

**Transaction Limitations:** Transfers from a Money Market Deposit account to another account or to third parties by preauthorized, automatic, or telephone transfer are limited to six per statement cycle.

### **Non-Personal Money Market**

This is a demand deposit account utilizing preprinted checks and deposit tickets and receiving a monthly statement. This is an interest bearing account.

**Requirements:** \$2,500.00 to open the account. Any customer without an established portfolio is required to fill out an application.

**Account-Related Fees:** A service charge of \$7.00 will be imposed every statement cycle if the balance in the account falls below \$2,500.00 on any day within the cycle.

**Rate Information:** Your interest rate and annual percentage yield may change.

**Frequency of Rate Changes:** We may change the interest rate on your account at any time.

**Determination of Rate:** At our discretion, we may change the interest rate on your account.

**Compounding and Crediting Frequency:** Interest will be compounded every statement cycle. Interest will be credited to your account every statement cycle.

**Daily Balance Computation Method:** We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day.

**Accrual of Interest on noncash deposits:** Interest begins to accrue on the business day you deposit noncash items (for example, checks).

**Transaction Limitations:** Transfers from a Money Market Deposit account to another account or to third parties by preauthorized, automatic, or telephone transfer are limited to six per statement cycle.

### **Small Commercial Checking**

This is a demand deposit account utilizing preprinted checks and deposit tickets and receiving a monthly statement. This is a non-interest bearing account.

**Requirements:** \$500.00 to open the account. Any customer without an established portfolio is required to fill out an application.

**Account Related Fees:** A service charge of \$5.00 will be imposed every statement cycle if the balance in the account falls below \$1,000.00 on any day within the cycle.

**ODP Limit:** This account has a \$1500 overdraft limit assigned after all eligibility requirements are satisfied.

### **Statement Savings**

This is a savings account utilizing preprinted deposit and withdrawal tickets and receiving a quarterly statement. This is an interest bearing account.

**Requirements:** \$100.00 to open the account. Any customer without an established portfolio is required to fill out an application.

**Account-Related Fees:** On a Personal Statement Savings Account, a service charge of \$4.00 will be imposed every statement cycle if the balance in the account falls below \$300.00 on any day within the cycle.

**Rate Information** Your interest rate and annual percentage yield may change.

**Frequency of Rate Changes:** We may change the interest rate on your account at any time.

**Determination of Rate:** At our discretion, we may change the interest rate on your account.

**Compounding and Crediting Frequency:** Interest will be compounded and credited to your account every month.

**Daily Balance Computation Method:** We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day.

**Accrual of interest on noncash deposits:** Interest begins to accrue on the business day you deposit noncash items (for example, checks).

### **Christmas Club**

This is a special savings account utilizing preprinted deposit tickets that is structured with a time frame to accommodate the holiday shopping season. This is an interest bearing account.

This account uses a specially designed coupon book that is used similar to a loan coupon book. The coupons do not specify an amount and may vary from \$1.00 up in even dollar increments. Coupon books contain 50 weekly payment coupons and may only be used for one year. At the end of the first week in November, interest is credited to the account and a check is printed for the balance of the account. At that time the account is closed, unless automatic transfer is requested from another account.

**Requirements:** Any customer without an established portfolio is required to fill out an application.

**Account-Related Fees:** None.

**Rate Information** Your interest rate and annual percentage yield may change.

**Frequency of Rate Changes:** We may change the interest rate on your account at any time.

**Determination of Rate:** At our discretion, we may change the interest rate on your account.

**Compounding and Crediting Frequency:** Interest will be compounded and credited to your account every month.

**Effect of closing an account:** If you close your account before interest is credited, you will not receive the accrued interest.

**Accrual of interest on noncash deposits:** Interest begins to accrue on the business day you deposit noncash items (for example, checks).

**Transaction Limitations:** You may make unlimited deposits into your account. If any withdrawal is made from this account before maturity then this account may be closed. You cannot withdraw interest from your account before maturity.

## **Certificates**

This is an automatically renewable time account. This is a one-time deposit account that may not be added to.

**Requirements:** \$1,000.00 to open the account. Any customer without an established portfolio is required to fill out an application.

**Service Charges:** None.

**Rate Information** Your interest rate and annual percentage yield may change.

**Frequency of Rate Changes:** We may change the interest rate on your account at any time.

**Compounding and Crediting Frequency:** Interest will be compounded and credited to your account every month.

**Daily Balance Computation Method:** We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day.

**Transaction Limitations:** You may not make additional deposits into your account.

**Early withdrawal penalties** (a penalty may be imposed for withdrawals before maturity):  
The penalty we will impose is the greater of:

- 7 day's interest on the amount withdrawn if the withdrawal is made within the first 6 days after the deposit.
- three month's interest on the amount of the withdrawal.

**Automatically renewable time account:** This account will automatically renew at maturity.

### **Retirement Accounts (IRAs)**

This is an automatically renewable time savings account for the purpose of saving for retirement. This account has special IRS guidelines. This is a one-time deposit account that may not be added to.

Whatever your retirement need is, we have the retirement account that is right for you. We offer Individual, Spousal, SEPs, QRPs, Beneficiary, Roth, Education and SIMPLE plans. Simply see any of our IRA representatives. They will explain the nature of these accounts in more detail and help you complete the simple forms necessary to establish your IRA.

**Requirements:** Any customer under age 70 1/2 for the entire tax year and have compensation, is eligible to establish an IRA, even if they already participate in any type of government plan, tax-sheltered annuity, simplified employee pension (SEP) plan, Savings Incentive Match Plan for Employees of Small Employers (SIMPLE), or qualified plan (*pension or profit sharing*) established by an employer.

\$1,000.00 is required to open the account. Any customer without an established portfolio is required to fill out an application.

**Service Charges:** None.

**Rate Information** Your interest rate and annual percentage yield may change.

**Frequency of Rate Changes:** We may change the interest rate on your account at any

time.

**Compounding and Crediting Frequency:** Interest will be compounded and credited to your account every month.

**Daily Balance Computation Method:** We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day.

**Transaction Limitations:** You may not make additional deposits into your account.

**Early withdrawal penalties** (a penalty may be imposed for withdrawals before maturity):  
The penalty we will impose is the greater of:

- 7 day's interest on the amount withdrawn if the withdrawal is made within the first 6 days after the deposit.
- three month's interest on the amount of the withdrawal.

The customer may also be assessed a 10% tax penalty by the Internal Revenue Service. The penalty may be waived if the customer has reached age 59 1/2.

**Automatically renewable time account:** This account will automatically renew at maturity.

## **Common Features**

Limits and fees - the following fees may be assessed against your account and the following transaction limitations, if any, apply to your account.

Account Activity Printout	\$3.00
Account Research	\$12.50 per hour
Account Balancing Assistance	\$12.50 per hour
ATM/Debit Card Replacement	\$10.00
ATM / Debit Card Fees: A fee may be imposed by a bank other than Farmers State Bank when you use your ATM / Debit Card in their ATM and initiate a withdrawal, an electronic fund transfer or make a balance inquiry by any network used to complete the transaction.	
Cashier's Check	\$5.00
Check Printing	(Fee depends on check style ordered)
Dormant Account: An account is dormant if for 12 months you have made no deposits or withdrawals to the account and you had no communication with us about your account.	
Dormant Account Fee: \$3.00 (Fee is waived if balance is greater than \$300.00). This fee is charged each month.	
Garnishments	\$50.00
Levies	\$50.00
Overdraft Fee For Each Presentment	\$25.00
This fee may be imposed for covering overdrafts each time one is created by check, in person withdrawal, ATM withdrawal, or other electronic means. A separate overdraft fee will be assessed each time the same item is resubmitted against insufficient funds.	
Daily Limit for Overdraft Fees	\$125.00
Photocopies	\$0.25 per page

Photocopies of checks	\$3.00
Stop Payment - Checks	\$25.00
Stop Payment - Electronic Funds Transfer	\$25.00
Wire Transfers - Domestic (Incoming and Outgoing)	\$20.00
Wire Transfers - International (Incoming and Outgoing)	\$55.00

## Safe Deposit Boxes

We have a wide variety of sizes of Safe Deposit Boxes at each of our three locations. Whether you need a small box or a very large box, we have the right one for you.

Billing is done annually and you may elect to have the charge be automatically debited from your checking or savings account.

Annual charges range from \$15.00 to \$400.00 based on the size of the box you need. If you have a Main Street Checking account, the rent on most of our boxes is half price.

## ATM

We have a drive-up ATMs located at our 3 branches:

Main Office, 100 West Main Street, Mountain City, TN.

421 Branch, 889 South Shady Street, Mountain City, TN.

Butler Branch, 130 Main Street, Butler, TN.

They give you 24-hour access to your checking and savings accounts. You may use the ATMs to conveniently make withdrawals or transfers between different accounts.

There is no charge to current customers for using the ATM, but a charge is applied to all non-customer transactions.

## ATM and Debit Cards

With our VISA Check Card you can make purchases and transactions that are automatically debited from your checking account with no annual fee or transaction charges. Conveniently use it anytime you would write a check.

\* Up to a 3-day hold can be placed on funds for transactions run as credits.

\*\* Based on account balance, cardholders may spend up to their combined daily limits for 'Combined ATM and POS' + 'Credit' transactions.

<b>Daily Limits</b>	<b>ATM Card</b>	<b>Personal Debit Card</b>	<b>Business Debit Card</b>
ATM Withdrawals	\$500	\$500	\$500
Point-of-sale (POS) – PIN-based	N/A	\$2,500	\$3,500
Combined ATM and POS transactions	\$500	\$3,000	\$4,000
Credits - Signature-based *	N/A	\$2,500	\$3,500
Maximum daily expenditure **	\$500	\$5,500	\$7,500

During a calendar day, each card can be "swiped" 15 times at ATMs or 20 times at POS terminals, but the overall total number of "swipes" cannot exceed 25.

### Telephone Banking

Simply by using a touch-tone phone, you can access your Farmers State Bank accounts anytime, anywhere with complete privacy—all at no charge.

Phone from your home, office, car, or while away on vacation, anytime — 24 hours a day! Call 423-727-1742 or toll free 844-813-1177. Your initial PIN is typically the last 4 digits of your Tax Id.

### Online Banking

By using a browser on a PC or a mobile device with an Internet connection, you can securely access your Farmers State Bank accounts anytime, anywhere at no charge.

You can view balances, check images, statements, transfer funds, or make payments. Visit <https://www.FSBankMCTN.com> to log in or learn more.

### Mobile Banking

By using an Android or Apple mobile device with an Internet connection, you can securely access your Farmers State Bank accounts anytime, anywhere at no charge.

You can view balances, check images, statements, transfer funds, or make payments.

For Android devices, go to Google Play. For Apple devices, go to the App Store. Search for 'Farmers State Bank TN'.

#### Bill Pay (CheckFree RXP)

CheckFree transactions can be up to \$999,999.99 (default) based on actual account balance. International payments are not permitted.

#### Mobile Deposits

Mobile Deposits can be up to \$1,500 per item and/or up to \$1,500 per day. Approved exceptions do apply.

## Zelle

<b>Funds Transfer Limits</b>							
<b>Service</b>	<b>Remaining(max available for a transaction)</b>	<b>Daily Limit</b>	<b>Daily Available</b>	<b>Outstanding Limit</b>	<b>Outstanding Available</b>	<b>Monthly Limit</b>	<b>Monthly Available</b>
<b>Services Within Group Limits</b>							
<b>Group: SendMoneyStandard</b>	<b>\$1,000</b>	<b>\$1,000</b>	<b>\$1,000</b>	<b>\$3,000</b>	<b>\$3,000</b>	<b>\$3,000</b>	<b>\$3,000</b>
Send Money Next Day							
Send Money Standard							
<b>Group: PayRequestService</b>	<b>\$1,000</b>	<b>\$1,000</b>	<b>\$1,000</b>	<b>\$3,000</b>	<b>\$3,000</b>	<b>\$3,000</b>	<b>\$3,000</b>
Customer Pay Request							
Customer Pay Request - Next Day							
<b>Group: P2P Standard</b>	<b>\$1,000</b>	<b>\$1,000</b>	<b>\$1,000</b>	<b>\$3,000</b>	<b>\$3,000</b>	<b>\$3,000</b>	<b>\$3,000</b>
P2P Next Day							
P2P Standard							
<b>Service Without Group Limits</b>							
Consumer Pay Request Priority	\$1,000	\$1,000	\$1,000	N/A	N/A	\$3,000	\$3,000
Instant	\$1,000	\$1,000	\$1,000	N/A	N/A	\$3,000	\$3,000
<b>Segment</b>	<b>\$3,000</b>	<b>N/A</b>	<b>N/A</b>	<b>\$3,000</b>	<b>\$3,000</b>	<b>\$6,000</b>	<b>\$6,000</b>

Note: There are daily and 30-day (rolling) calendar limits for Zelle® transactions.

If a recipient isn't enrolled in Zelle® within **14 days, any pending payment will expire**, and the sent funds will be returned to the sender's account.

[Top](#)

## Mobile Deposits

Mobile Deposits can be up to \$1,500 per item and/or up to \$1,500 per day. Approved exceptions do apply.

Deed of Trust - 80% max. LTV unless otherwise noted - 30 year max. amortization unless otherwise noted	
61 Mos. ARM Non-Primary Residential RE (Available for DW with a 75% max. LTV and a 25 yr. max. amort.)	<p><b>FOR ALL REAL ESTATE LOANS INCLUDING SECURED BY 1ST OR JUNIOR LIEN, WHETHER IMPROVED, VACANT LAND, OR CONSTRUCTION - THE FOLLOWING TIERED FEE STRUCTURE WILL APPLY:</b></p> <p><b>LOAN AMOUNT UP TO \$30,000 - FEE \$350.00</b>    <b>LOAN AMOUNT \$30,000.01 TO \$100,000 - FEE \$550.00</b>    <b>LOAN AMOUNT \$100,000.01 TO \$150,000 - FEE \$750</b>    <b>LOAN AMOUNT \$150,000.01 TO \$250,000 - FEE \$1,000</b>    <b>LOAN AMOUNT \$250,000.01 TO \$500,000 - FEE \$1,250</b>    <b>LOAN AMOUNT \$500,000.01 AND UP - FEE \$1,500</b></p>
7 Yr - Non-Primary Residential R/E	
1 Yr - Res. D/T Term note with int. monthly (1st / 2nd Mtg) R/E	
62 mo. - Residential D/T (1st Mtg) R/E	
12 mo to 62 mo- 2nd Mtg Residential D/T (max. amort. 20 yr) R/E	
7 Yr - Residential D/T (1st Mtg) R/E	
62 mo. - Imp. Double Wide M/H with 1st D/T - 75% max. LTV - 25 yr. max. amort. R/E	
61 Mos. ARM (Available for DW with a 75% max. LTV and a 25 yr. max. amort.) R/E	
120 Mos / 5 yr ARM (Available for DW with a 75% max. LTV and a 25 yr. max. amort.) R/E	
<b>Construction (Consumer &amp; Commercial - Use Relationship Pricing Tab)</b>	
1 Yr - Construction - Residential D/T R/E	<p>Loan fees will be calculated on Comm'l RE Relationship Pricing Tab</p>
1 Yr - Construction D/T- Comm., Spec., etc. R/E	
<b>Consumer-Purpose Land Only - 65% max. LTV - 20 year max. amortization R/E</b>	
1 Yr - Land Only Term note with int. monthly (1st Lien Only) R/E	
5 yr - Land Only R/E	
61 Mos. ARM (1st Lien Only) R/E	
<b>Commercial Real Estate Secured - Permanent Financing (Use Comm'l RE Relationship Pricing)</b>	
61 Mo. Adjustable (unimproved, vacant, farmland, and improved properties)	
7 Year Adjustable (unimproved, vacant, farmland, and improved properties)	
Up to 3 Year Land Development Fixed Rate	
<b>Line of Credit (follow LTV guidelines above for real estate secured)</b>	
Personal Secured Line of Credit - Fixed - 12 month term	\$50 for \$1,000, \$85 for \$1001 - \$2,499, and \$100 if loan amt. \$2,500 or more
Personal Unsecured Line of Credit - Fixed - 12 month term	\$50 for \$1,000, \$85 for \$1001 - \$2,499, and \$100 if loan amt. \$2,500 or more
Real Estate Line of Credit - Fixed - 36 mo. max term - including HELOCs in personal names	Go by the RE fees above
<b>Consumer Loans (secured installment = by collateral other than auto including boats, motorcycles, ATVs, equipment, etc.)</b>	
Secured - 12 months installment - consumer	\$50 for \$1,000, \$85 for \$1001 - \$2,499, and \$100 if loan amt. \$2,500 or more
Secured - 24 months installment - consumer	\$50 for \$1,000, \$85 for \$1001 - \$2,499, and \$100 if loan amt. \$2,500 or more
Secured - 36 months installment - consumer	\$50 for \$1,000, \$85 for \$1001 - \$2,499, and \$100 if loan amt. \$2,500 or more
Secured - 48 months installment - consumer	\$50 for \$1,000, \$85 for \$1001 - \$2,499, and \$100 if loan amt. \$2,500 or more
Unsecured - 12 Months installment - consumer	\$50 for \$1,000, \$85 for \$1001 - \$2,499, and \$100 if loan amt. \$2,500 or more
Unsecured - 24 Months installment - consumer	\$50 for \$1,000, \$85 for \$1001 - \$2,499, and \$100 if loan amt. \$2,500 or more
Unsecured - 36 Months installment - consumer	\$50 for \$1,000, \$85 for \$1001 - \$2,499, and \$100 if loan amt. \$2,500 or more
Secured - 6 mo. term	\$50 fee
Unsecured - 6 mo. term	\$50 fee
Secured - 1 yr term	\$50 fee
Unsecured - 1 yr term	\$50 fee
***** Term loans \$1,000 - refer to regulatory limits	
<b>Autos Installment/Term - Max. Amount is 80% of Retail Value from NADA.com</b>	
New - 12 months - Auto	\$185 or if loan amount \$1,000 or less fee is \$50
New - 24 months - Auto	\$185 or if loan amount \$1,000 or less fee is \$50
New - 36 months - Auto	\$185 or if loan amount \$1,000 or less fee is \$50
New - 48 months - Auto	\$185 or if loan amount \$1,000 or less fee is \$50
New - 60 months - Auto	\$185 or if loan amount \$1,000 or less fee is \$50
New - 72 months - Auto	\$185 or if loan amount \$1,000 or less fee is \$50
New - M/H Only - 72 months - with balloon	\$185 or if loan amount \$1,000 or less fee is \$50
1 yr - 12 months - Auto	\$185 or if loan amount \$1,000 or less fee is \$50
1 yr - 24 months - Auto	\$185 or if loan amount \$1,000 or less fee is \$50
1 yr - 36 months - Auto	\$185 or if loan amount \$1,000 or less fee is \$50
1 yr - 48 months - Auto	\$185 or if loan amount \$1,000 or less fee is \$50
1 yr - 60 months - Auto	\$185 or if loan amount \$1,000 or less fee is \$50
2 - 3 yr - 12 months - Auto	\$185 or if loan amount \$1,000 or less fee is \$50
2 - 3 yr - 24 months - Auto	\$185 or if loan amount \$1,000 or less fee is \$50
2 - 3 yr - 36 months - Auto	\$185 or if loan amount \$1,000 or less fee is \$50
2 - 3 yr - 48 months - Auto	\$185 or if loan amount \$1,000 or less fee is \$50
4 - 5 yr - 12 months - Auto	\$185 or if loan amount \$1,000 or less fee is \$50
4 - 5 yr - 24 months - Auto	\$185 or if loan amount \$1,000 or less fee is \$50
4 - 5 yr - 36 months - Auto	\$185 or if loan amount \$1,000 or less fee is \$50
4 - 5 yr - 48 months - Auto	\$185 or if loan amount \$1,000 or less fee is \$50
6 yr+ - 12 months - Auto	\$185 or if loan amount \$1,000 or less fee is \$50
6 yr+ - 24 months - Auto	\$185 or if loan amount \$1,000 or less fee is \$50
6 yr+ - 36 months - Auto	\$185 or if loan amount \$1,000 or less fee is \$50
6 yr+ - 48 months - Auto	\$185 or if loan amount \$1,000 or less fee is \$50
Term Loan = \$1000	
**No 21% Post Maturity Interest & No Demand Feature	
Deposit Secured Loan - Max. LTV is 95% of deposit balance*	\$30 (lower if needed for APR)