

CRA Public File

Main Office



SALYERSVILLE NATIONAL BANK.

Your Hometown Bank

FEBRUARY 17, 2025

Community Reinvestment Act - Public File

Main Office - Public File Requirements

- I. All written comments received from the public for the current year and each of the prior two calendar years that specifically relate to the bank's performance in helping to meet community credit needs, and any response by the bank. If neither the comments nor the responses contain statements that reflect adversely on the good name or reputation of any person other than the bank or publication of which would violate specific provisions of law.
- II. The institution's most recent CRA Performance Evaluation,
- III. A map of each facility-based assessment area showing its boundaries and, on the map or in a separate list, the census tracts contained within the facility-based assessment area,
- IV. A list of the institution's branches, their street addresses, and census tracts; a list of branches opened and closed during the current year and each of the prior two calendar years.
- V. A list of retail banking services (including hours of operations, available loan and deposit products and transaction fees) generally offered at the bank's branches and descriptions of material differences in the availability or cost of services at particular branches, if any,
- VI. The institution's loan-to-deposit ratio for each quarter of the prior calendar year,
- VII. A quarterly report of the institution's efforts to improve its record if it received a less than satisfactory rating during its most recent CRA examination, and

The CRA Public file is available at the Bank's public website <https://www.salyervillebank.com>. You may also ask us to provide you with a copy, either in paper or digital form, of our CRA Public File for you to read at your convenience. We are allowed to charge you a reasonable fee to cover the cost of copying and mailing.

I. Written CRA-Related Comments

- I. All written comments received from the public for the current year and each of the prior two calendar years that specifically relate to the bank's performance in helping to meet community credit needs, and any response by the bank. If neither the comments nor the responses contain statements that reflect adversely on the good name or reputation of any person other than the bank or publication of which would violate specific provisions of law.

Salyersville National Bank has not received any comments from the public regarding its performance in meeting community credit needs for the current year and the preceding two calendar years.

II. Public Section of CRA Performance Evaluation

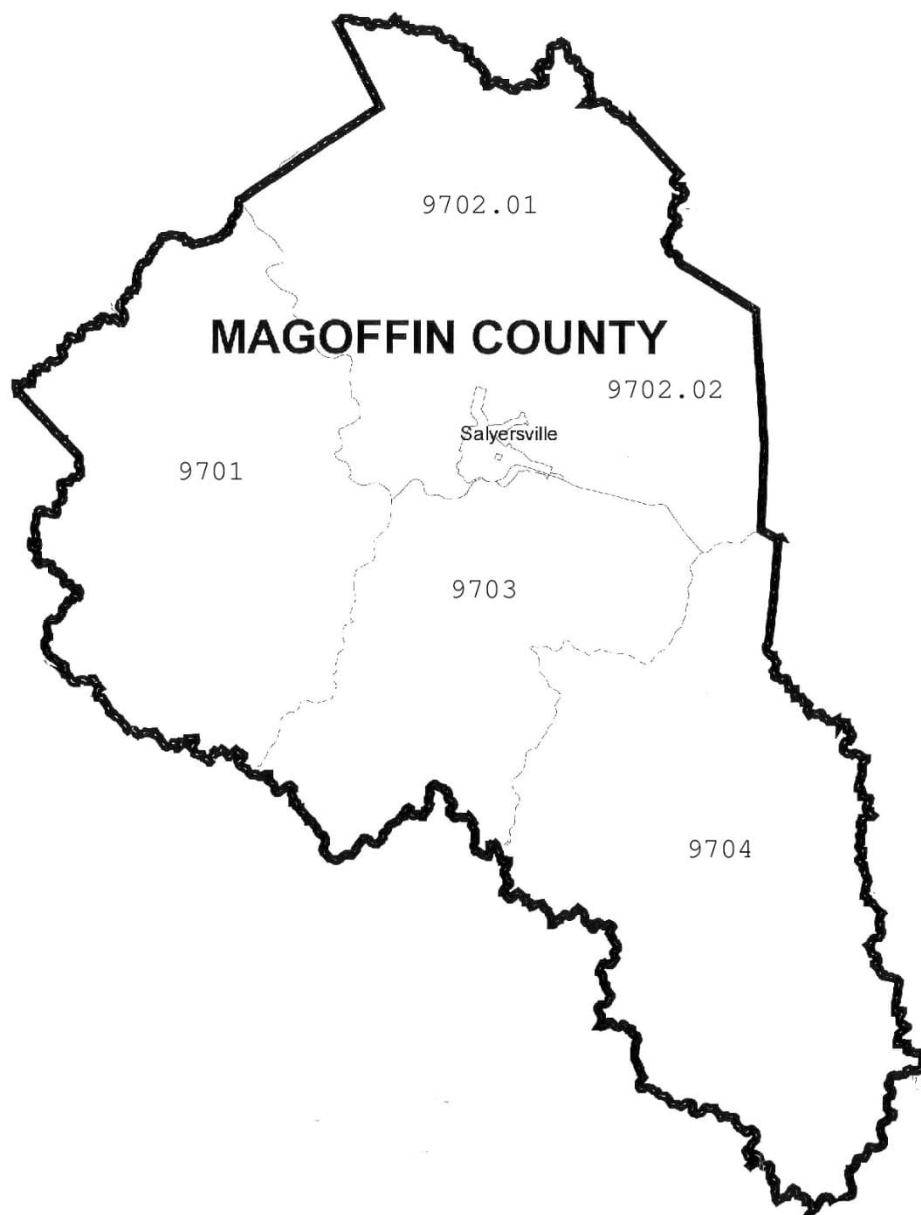
- II. A copy of the public section of the institution's most recent CRA Performance Evaluation prepared by the FDIC. The institution shall place this copy in the public file within 30 business days after its receipt from the FDIC.

The public section of the bank's most recent CRA Performance Evaluation prepared by the OCC is located as the final document of this public file.

III. Maps & Census Tracts

- III. A map of the bank's assessment area showing its boundaries and, on the map or in a separate list, the census tracts contained within the assessment area.

**Salysersville National Bank Facility Based Assessment Area
Magoffin County**



IV. Branch Listing

- IV. A list of the institution's branches, their street addresses, and census tracts; a list of branches opened and closed during the current year and each of the prior two calendar years.

Salyersville National Bank has two full-service facilities. The Bank strives to provide services designed to provide more convenience to the bank's customers and community.

MAIN OFFICE & BRANCH OFFICE LOCATIONS

**SALYERSVILLE NATIONAL BANK
(MAIN OFFICE)
43 E. MAPLE STREET
P.O. BOX 250
SALYERSVILLE, KY 41465
(606) 349-3131
FAX (606) 349-6168
CENSUS TRACT-9701**

**SALYERSVILLE NATIONAL BANK
(BRANCH OFFICE)
519 PARKWAY DRIVE
P.O. BOX 250
SALYERSVILLE, KY 41465
(606) 349-6162
FAX (606) 349-6166
CENSUS TRACT-9702.02**

Branches Opened and Closed

The Bank has not opened any branches in 2025 as of this public file's date.

The Bank did not open any branches in 2024.

The Bank has not closed any branches during the current year and in each of the prior two calendar years.

V. List of Services

- V. A list of retail banking services (including hours of operations, available loan and deposit products and transaction fees) generally offered at the bank's Main Office and Branch. The only service not offered at the branch location is Safe Deposit Boxes.

SALYERSVILLE NATIONAL BANK PRODUCTS & SERVICES

PRODUCTS

**DEMAND DEPOSIT ACCOUNTS (PERSONAL & BUSINESS)
SENIOR CITIZEN ACCOUNTS
LIFE LINE ACCOUNTS
BASIC BAN CLUB ACCOUNTS
PERSONAL BAN CLUB ACCOUNTS
FAMILY BAN CLUB ACCOUNTS
GOVERNMENT BENEFIT ACCOUNTS
STUDENT CHECKING ACCOUNTS
NOW ACCOUNTS
MONEY MARKET PERSONAL ACCOUNTS
MONEY MARKET NON PERSONAL ACCOUNTS
SAVINGS ACCOUNTS
CERTIFICATES OF DEPOSITS
TRADITIONAL IRAS
ROTH IRAS
CHRISTMAS CLUBS
SAFE DEPOSIT BOXES – MAIN OFFICE LOCATION ONLY
PERSONAL LOANS
BUSINESS LOANS
MORTGAGE LOANS
CREDIT LINE LOANS (OVERDRAFT PROTECTION)
CREDIT CARDS
HEALTH SAVINGS ACCOUNTS**

SERVICES

7 LANE DRIVE THRU FACILITIES	NIGHT DEPOSITORY SERVICE
24 HOUR TELEPHONE BANKING	WIRE TRANSFERS
ON-SITE ATM	COIN COUNTING
CREDIT CARD ADVANCES	COLLECTION ITEMS
CASHIER CHECKS	FAX SERVICES
SAVINGS BONDS	DIRECT DEPOSIT
ATM/DEBIT CARDS	SPECIAL STATEMENTS
FREE CHECK BOOK RECONCILIATION	AUTO LOAN PAYMENTS
ACCOUNT SWEEP SERVICES	ON-LINE INTERNET SERVICE
ACH ORIGATION	CHECK IMAGING
INTERNET BILL PAYMENT	DOCUMENT IMAGING
MOBILE BANKING	MOBILE WALLET
NOTARY SERVICE	

Banking Hours

MAIN OFFICE & BRANCH OFFICE 2025

MONDAY - FRIDAY 9:00 A.M. - 3:00 P.M.

MAIN DRIVE-IN WINDOW 9:00 A.M. - 3:00 P.M.

BRANCH DRIVE-IN WINDOW

MONDAY – THURSDAY 9:00 A.M. - 5:00 P.M.

FRIDAY 8:00 A.M. - 5:00 P.M.

ATM 3:00 P.M. CUTOFF

INTERNET BANKING 4:30 P.M. CUTOFF

TELEPHONE BANKING 5:00 P.M. CUTOFF

MOBILE BANKING 5:00 P.M. CUTOFF

SATURDAY BANKING

BRANCH DRIVE-IN WINDOW 9:00 A.M. - 12:00 P.M.

Material differences in the Availability or Costs of Services at Particular Branches

No differences in the availability or costs of services exist.

SCHEDULE OF FEES



PO BOX 250
SALYERSVILLE, KENTUCKY 41465

Check Printing	(fee depends on style of check ordered)
Cashiers Check- Any amount (Customer)	\$8.00
Check Cashing Fee	
Customer	N/C
Noncustomer	\$10.00 or 2% of checks over 1,000.00
Coin Counting- Noncustomer	\$10.00
MICR, Incorrect information on check, each	\$2.00
Counter Checks	\$1.00 per check
Dormant Account Fee, charged each month	\$7.00
Garnishments, Levies	\$95.00 per occurrence
Overdraft item may be created by check, in-person withdrawal,	
ATM withdrawal or other electronic means.	\$35.00
Point of Sale Transaction (debit/pinned)	\$1.00
ATM Withdrawal Offsite	\$1.00
Overdraft Protection, annual fee	\$50.00
Continual Overdraft after three days	\$20.00 if overdrawn balance in excess of \$50.00
Deposited Checks (and other items) Returned Unpaid	\$8.00
Nonsufficient Funds item may be created by check	
in-person withdrawal ATM withdrawal or other electronic mean	\$35.00
Account Reconciliation/ Statement Balancing	
Customer Error	\$20.00/hour, minimum \$20.00
Account Research	\$20.00/hour, \$20.00 minimum plus \$1.00/ microfilm
Statement	
Mailed Statement with Images - Monthly	
Consumer	\$5.00 (Senior Citizens No Charge)
Business	\$5.00
Special Statement	\$10.00
Additional Copy	\$5.00
Print Out Only	\$2.00
Telephone transfer from one account to another	\$5.00
Stop Payments (all items)	\$25.00
Account closed within 90 days of opening	\$25.00
Collection Items	
Customer	\$20.00
Noncustomer	\$30.00
Credit Card Advance	
Customer (our card)	N/C
Customer (other card)	\$10.00
Noncustomer	\$25.00
Fax	
Sending	\$2.00 per page
Receiving	\$2.00 per page
Photocopy, per page	\$1.00
Notary	
Customer	N/C
Noncustomer	\$10.00
Cash Items, per item	\$2.00
Certificate of Deposit, name change	\$5.00
Affidavit each lost instrument	\$5.00

Wire Transfers

Outgoing- Customer	\$25.00
Outgoing- Noncustomer	\$50.00
Incoming- Customer	\$25.00
Incoming- Noncustomer	\$50.00

Night Depository

Zip Bag/ Vinyl Bag	N/C
Lock Bag	\$35.00

Safe Deposit Box

3 X 5	\$35.00
5 X 5	\$40.00
3 X 10	\$60.00
5 X 10	\$75.00
10 X 10	\$135.00
Box Drilling	\$300.00
Lost Key	\$150.00
Past Due Fee	\$30.00

Banclub Insurance Rates

Basic Plan	\$9.00
Personal Plan	\$10.00
Family Plan	\$11.00
Government Benefit Account	\$10.00
ATM Replacement Card Fee	\$25.00

In the normal course of business, we generally pay electronic transaction first and then checks in serial number order, in the transaction processing order received. For more information about our processing order, please review our Account Agreement terms & Conditions.

VI. Loan-to-Deposit Ratio

VI. The institution's loan-to-deposit ratio for each quarter of the prior calendar year.

QUARTERLY REPORT FOR 2024

LOAN & LEASE, NET OF UNEARNED INCOME,
ALLOWANCE & RESERVE/TOTAL DEPOSITS

MARCH 2024	JUNE 2024	SEPTEMBER 2024	DECEMBER 2024
70.55	72.71	72.35	65.70

VII. Quarterly Report

- VII. A quarterly report of the institution's efforts to improve its record if it received a less than satisfactory rating during its most recent CRA examination.

Not applicable.



PUBLIC DISCLOSURE

April 24, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The Salyersville National Bank
Charter Number: 8905

43 East Maple Street
Salyersville, Kentucky 41465-0250

Office of the Comptroller of the Currency
Roanoke Office
4419 Pheasant Ridge Road, Suite 300
Roanoke, Virginia 24014

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 major factors that support this rating include:

- The Lending Test rating for The Salyersville National Bank (SNB or bank), is based on performance in state of Kentucky.
- The loan-to-deposit (LTD) ratio is reasonable considering the bank's size, financial condition, and credit needs in its assessment area (AA).
- A substantial majority of loans were originated inside the AA.
- The bank exhibits excellent geographic distribution of loans in the bank's AA.
- The bank exhibits reasonable borrower distribution of loans to borrowers of different income levels, given the product lines offered by the bank.

Loan-to-Deposit Ratio

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

The bank's LTD ratio is calculated on a bank-wide basis covering the quarters as of March 31, 2019, through December 31, 2021. The bank's average quarterly LTD ratio for the 12 consecutive quarters is 69.10 percent. This is below the average quarterly LTD ratio of 73.61 percent for competitor institutions during the same time period. There are no similar asset-sized institutions in the AA. The bank's average quarterly LTD ratio ranged from a high of 74.84 percent, to a low of 64.06 percent. The average quarterly LTD for the competitor banks ranged from a high of 82.04 percent, to a low of 65.18 percent over the same period.

Lending in Assessment Area

A substantial majority of the bank's loans are inside its AA.

The bank originated 84.90 percent of its total loans inside the bank's AA 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. The OCC used the loans originated inside the bank's AA for the geographic distribution of lending and the borrower income distribution analyses.

The analysis in Table D shows the institution's lending inside and outside the AA. The distribution of loans inside the AA indicates that the institution is serving the credit needs of its AA.

Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	24	72.7	9	27.3	33	2,204	44.8	2,721	55.2	4,925
Consumer	38	95.0	2	5.0	40	764	97.1	23	2.9	787
Total	62	84.9	11	15.1	73	2,968	52.0	2,744	48.0	5,712

*Source: Bank Data
Due to rounding, totals may not equal 100.0%*

Description of Institution

SNB is a federally chartered intrastate community bank established in 1902, headquartered in Salyersville, Kentucky. The bank is a wholly owned subsidiary of Salyersville National Bancorp, Inc., of Salyersville, Kentucky, a one-bank holding company. There were no merger or acquisition activities during the evaluation period. As of December 31, 2021, the bank reported total assets of \$134.2 million, and tier 1 capital of \$17.8 million.

The bank operates from two offices in Salyersville, Kentucky. The main office is located at 43 East Maple Street, and the branch office is located at 519 Parkway Drive. Both office locations are located in the middle-income census tract (CT) in the bank's AA. Hours of operation are reasonable and consistent between all office locations. The same products and services are offered at each bank location. The bank's automated teller machines (ATMs) are located and available at each bank location; however, neither ATM is deposit taking. The website provides detailed information on products and services for both consumers and businesses.

The bank offers a variety of standard deposit and loan products to meet consumer and commercial banking needs. The bank's website, www.salyersvillebank2.com offers standard services, with no-charge online banking and bill payment. In addition, the bank offers mobile banking and merchant remote deposit capture. Both office locations offer 24-hour night drop service with a complementary vinyl bank bag and lock bags for a fee. In addition, the bank offers bank by mail services and 24-hour telephone banking with account information and funds transfer at no charge. The bank offers online application process for mortgage and consumer loans, whereby the applicant may apply for such loans and complete the process in person at one of the bank's locations.

The bank has one AA that consists of one county in the state of Kentucky. The Magoffin County, KY non-MSA AA is comprised of the four CTs in this county. The CTs are delineated into three moderate-income, and one middle-income CT(s), with the middle-income CT designated as distressed and underserved due to the poverty and unemployment rates in the county and its remote rural geography. According to the 2015 American Community Survey (ACS) U.S. Census, the total population for the AA was 12,979, and the distribution of families by income level was 29.6 percent low-income, 20.8 percent moderate-income, 16.9 percent middle-income, and 32.7 percent upper-income CT.

Competition for loans and deposits comes from two larger community banks with a majority of their offices outside of Magoffin County, KY. The competitor banks are Citizens Bank of Kentucky, Inc., and Peoples Bank. Despite the competitor bank's larger size, SNB dominates the deposit market with a 59.13 percent share.

As of December 31, 2021, SNB reported gross loans of \$66 million, representing 49.15 percent of total assets. The table below depicted the dollar amount outstanding, and percentage of loans as compared to the total portfolio.

Type of Loan	Balance Outstanding (\$,000)	% of Total Loans
Non-Farm/Non-Residential	24,401	37.00
1-4 Family Residential	19,195	29.10
Construction & Land Development	11,266	17.08
Multi-family Residential	3,936	5.97
Commercial and Industrial	3,822	5.80
Loans to Individuals	2,014	3.05
Loans to farmers/secured by farmland	883	1.34
Other Loans	534	0.81
Total Gross Loans	66,051	100.15
Less Unearned Income on Loans	(101)	(0.15)
Total Loans held for Investment	\$65,950	100.00

*Source: Schedule RC-C Part 1 – Loans and Leases as reported in the Consolidated Report of Condition and Income as of December 31, 2021.

Salyersville National Bancorp, Inc., purchased the Salyersville Loan Company, a consumer finance company in Salyersville, KY. The Salyersville Loan Company was dissolved and the New Salyersville Loan Company, LLC., (LLC), was organized by the holding company on November 6, 2018. The LLC is categorized as a non-depository credit institution, operating as a subsidiary of the bank's holding company, and originating loans in amounts from \$50.00 to \$15 thousand. The services provided by this affiliate of the bank provides an opportunity for credit to those individuals who might not otherwise have access to small dollar loan products.

Paycheck Protection Program (PPP) Loans

During 2020 and 2021, SNB participated in the PPP implemented by the U.S. Small Business Administration (SBA). The program is a low-cost, qualifying forgivable loan program for small businesses to help cover payroll costs, interest on loans, rent, and utilities during the COVID 19 pandemic. For 2020, the bank originated a total of 109 PPP loans, totaling \$5.3 million. Of that total, 43 loans totaling \$1.1 million were originated in the AA. For 2021, the bank originated a total of 86 PPP loans, totaling \$2.6 million. Of that total, 31 PPP loans totaling \$575 thousand were originated in the AA.

During the evaluation period, SNB has not undergone any significant changes in its corporate structure. There are no legal or financial impediments to SNB's ability to meet the credit needs of its AA. The bank received a "Satisfactory" rating at the last CRA Performance Evaluation dated April 22, 2019.

Scope of the Evaluation

Evaluation Period/Products Evaluated

SNB was evaluated using Small Bank CRA procedures, which includes a Lending Test. The bank's lending performance was based on an assessment of home mortgage and consumer loans originated during the evaluation period of January 1, 2019, through December 31, 2021. To evaluate the bank's lending performance, we analyzed a sample of 24 home mortgage, and 38 consumer loans originated inside the AA during the evaluation period.

Due to its location, the bank is not required to collect and report home loan data pursuant to HMDA. As such, the lending analysis was based on the sample of home mortgage loans to compare the bank's performance in context with aggregated HMDA lending activity in Magoffin County, KY.

Loans to small businesses, small farm loans and multi-family loans were not evaluated because the bank did not originate a sufficient volume in the AA for a meaningful analysis.

Selection of Areas for Full-Scope Review

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

Ratings

The bank's overall rating is based on the rating for the state of Kentucky.

The state rating is based on performance in the bank's AA. The OCC placed equal weight on the bank's performance in each year of the evaluation period to reach examiners conclusions. Refer to the "Scope" section under the state and 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), in determining a national banks 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 Consumer Financial Protection Bureau, 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 Kentucky

CRA rating for the State of Kentucky: Satisfactory

The Lending Test is rated: Satisfactory

The major factors that support this rating include:

- The bank geographic distribution of loans is excellent.
- The distribution of loans to borrowers of different income levels is reasonable.

Description of Institution's Operations in Kentucky

SNB has one AA within the state of Kentucky rating area, which is the Magoffin County, KY non-MSA AA. Refer to Appendix A for the geographies that make up the AA. The AA meets the requirements of the CRA regulation and does not arbitrarily exclude any low-, or moderate-income CTs.

SNB offered loan and deposit products and services through its full-service office and its full-service branch in Salyersville, KY, which are in the Magoffin County, KY non-MSA AA. Please refer to the Description of the Institution section for additional details.

Competition for mortgage loans is strong and includes local commercial and savings banks, branches of larger regional and nationwide banks, and national mortgage lenders. Based on the most recent 2021 Peer Mortgage Data, there were 70 lending institutions within the AA competing for mortgage applications. The top three lenders, with combined market share of 36.10 percent by count, and 26.49 percent by total dollar amount, are Vanderbilt Mortgage and Finance, Peoples Bank, and Citizens Bank of Kentucky, Inc. SNB was not ranked since they did not submit home mortgage loan data during the evaluation period as the bank's AA is not located in a MSA.

A review of the June 30, 2021, Federal Deposit Insurance Corporation (FDIC) Summary of Deposits Market Share Report for Magoffin County, KY, within the Magoffin County, KY non-MSA AA, indicated there are four offices, representing three FDIC-insured institutions varying in asset size. SNB ranked first with a deposit market share of 59.13 percent. The other two institutions in the AA were Citizens Bank of Kentucky, Inc., and Peoples Bank, with deposit market share of 26.95 percent, and 13.91 percent, respectively.

Employment and Economic Factors

Magoffin County, KY, has consistently had the highest unemployment levels in the state of Kentucky. According to the Bureau of Labor Statistics, the annual unemployment rates in the Magoffin County, KY non-MSA AA were 10.5 percent in 2019, 15.4 percent in 2020, and 11.5 percent in 2021. The state of Kentucky unemployment rates were below the AA's unemployment rates, reporting average annual unemployment rates of 4.1 percent in 2019, 6.5 percent in 2020, and 4.4 percent in 2021. The national average annual unemployment rates of 3.7 percent in 2019, 8.1 percent in 2020, and 5.4 percent in 2021 were comparable ranges to the state rates and well below the AA rates for the same time period.

At the peak of the COVID-19 pandemic in April 2020, the AA's unemployment rate was 27.7 percent, and remained at or near 12.0 percent through the year 2020. During the year 2021, the AA's unemployment rates ranged from a high of 14.6 percent for February 2021, to a low of 9.0 percent for November 2021.

The largest industries by employment in the AA are educational services, healthcare, and social assistance, the government sector, and manufacturing. The largest employers in Magoffin County are Magoffin County Board of Education, City and County Government agencies, Logan Corporation, Salyersville Health Care Center, and Mineral Labs Inc.

Housing

The Magoffin County, KY non-MSA AA provides limited opportunity to lend to LMI geographies within the AA. There are no low-, three moderate-, and one middle-income CT in the AA. The 2015 ACS U.S. Census reports there are 5,932 total housing units in the AA, of which 61.16 percent are owner-occupied, 23.06 percent are rental-occupied, and 15.78 are vacant housing units. Housing units in moderate-income geographies represent 53.08 percent, and in middle-income geographies represent 46.91 percent.

Home ownership in LMI geographies may be difficult due to the median housing prices compared to median family income. According to the 2015 ACS U.S. Census, the median housing value was \$54,251, and may be somewhat high for LMI households in the AA. The 2015 ACS U.S. Census reported the Weighted Average of Census MSA Median Family Income was \$45,986, which would result in annual income for low-income households below \$22,993, and annual income for moderate-income households between \$22,993 and \$36,788. Additionally, households below poverty rates make up 33.50 percent of households in moderate-income geographies. These income and poverty levels could make it difficult to afford housing in this AA for LMI borrowers.

Additional factors that may cause homeownership difficulties in LMI geographies include a high percentage of renter occupied units in LMI geographies. Renter occupied units in moderate-income geographies total 22.74 percent of total rental units.

Community Contacts

As part of the evaluation, the OCC performed one community contact for the AA. The contact was a representative of the economic development authority in Magoffin County. The contact stated that the credit needs of Magoffin County are affordable housing, and economic development. Housing in the county is low in number as well as suitability. Barriers to new affordable housing are borrower income, available suitable land for construction, and funding. The county has struggled to bring new industries into the area, due to limited access to major roads and interstates. This obstacle has been overcome with the development of the Mountain Parkway Expansion, and creation of the industrial park in the AA. This economic development has been funded through federal and state government grants.

The contact stated that SNB is very involved in the community and has provided funding for local credit needs. The contact stated that the bank is considered the leader in Magoffin County as its bank is headquartered in the county and its board and management are from or live in Magoffin County.

Magoffin County, KY non-MSA

Table A – Demographic Information of the Assessment Area						
Assessment Area: Magoffin County, KY non-MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	4	0.0	75.0	25.0	0.0	0.0
Population by Geography	12,979	0.0	53.8	46.2	0.0	0.0
Housing Units by Geography	5,932	0.0	53.1	46.9	0.0	0.0
Owner-Occupied Units by Geography	3,628	0.0	51.8	48.2	0.0	0.0
Occupied Rental Units by Geography	1,368	0.0	52.3	47.7	0.0	0.0
Vacant Units by Geography	936	0.0	59.0	41.0	0.0	0.0
Businesses by Geography	586	0.0	27.1	72.9	0.0	0.0
Farms by Geography	13	0.0	15.4	84.6	0.0	0.0
Family Distribution by Income Level	3,481	29.6	20.8	16.9	32.7	0.0
Household Distribution by Income Level	4,996	33.8	16.6	16.4	33.2	0.0
Median Family Income Non-MSAs - KY		\$45,986	Median Housing Value			\$54,251
			Median Gross Rent			\$487
			Families Below Poverty Level			23.8%
<i>Source: 2015 ACS and 2020 D&B Data</i>						
<i>Due to rounding, totals may not equal 100.0%</i>						
<i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Scope of Evaluation in Kentucky

The Magoffin County, KY non-MSA AA received a full-scope review. The OCC placed equal weight on the bank’s performance in each year of the evaluation period to reach our conclusions.

Lending Test

The bank’s performance under the Lending Test in the state of Kentucky is rated Satisfactory.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank’s performance in the Magoffin County, KY non-MSA AA is reasonable.

Distribution of Loans by Income Level of the Geography

The bank exhibits excellent geographic distribution of loans in the state of Kentucky.

Home Mortgage Loans

Refer to Table O in the state of Kentucky section 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 percentage of home mortgage loans originated in moderate-income geographies was near to the percentage of owner-occupied housing units located in those geographies. The percentage of home mortgage loans originated in moderate-income geographies exceeded the aggregate percentage of all reporting lenders.

Consumer Loans

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

The percentage of consumer loans originated in moderate-income geographies exceeded the percentage of households located in those geographies.

Distribution of Loans by Income Level of the Borrower

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

Home Mortgage Loans

Refer to Table P in the state of Kentucky section 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 percentage of home mortgage loans originated to low-income borrowers was significantly below the percentage of families located in those geographies. The percentage of home mortgage loans originated to moderate-income borrowers was below the percentage of families located in those geographies. The percentage of home mortgage loans originated to low-income borrowers exceeded, and to moderate-income borrowers was below the aggregate percentage of all reporting lenders.

As previously stated in the Housing section for the Magoffin County, KY non-MSA AA, home ownership in LMI geographies may be difficult due to high median housing prices compared to median family income. According to the 2015 ACS U.S. Census, the median housing value was \$54,251, and the median family income for low-income borrowers was less than \$22,993, making it difficult for low-income borrowers to afford housing in the AA.

One noteworthy challenge is the bank's AA has a 23.8 percent poverty rate, which likely limits the bank's ability to fully penetrate the low-income, and moderate-income borrower demographic.

Consumer Loans

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

The percentage of consumer loans originated to low-income borrowers was significantly below the percentage of households located in those geographies.

The percentage of consumer loans originated to moderate-income borrowers exceeded the percentage of households in those geographies.

As stated above in the Home Mortgage Loans section, the bank's AA has a 23.8 percent poverty rate, which likely limits the bank's ability to fully penetrate the low-income borrower demographic.

Responses to Complaints

There were no CRA complaints received by the bank or the agency since the prior examination regarding performance in meeting the credit needs of SNB's AA.

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 MSAs and non-MSAs 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:	01/01/2019 to 12/31/2021	
Bank Products Reviewed:	Home mortgage, consumer loans	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None		
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
State of Kentucky		
Magoffin County, KY non-MSA	Full scope	All census tracts in the County of Magoffin in the state of Kentucky

Appendix B: Summary of MMSA and State Ratings

RATINGS: THE SALYERSVILLE NATIONAL BANK	
Overall Bank:	Lending Test Rating
The Salyersville National Bank	Satisfactory
State:	
KENTUCKY	Satisfactory

Appendix C: Definitions and Common Abbreviations

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

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

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

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

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

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

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

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

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

Full-Scope Review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

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

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that conduct business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

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

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

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

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

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

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

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

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

Metropolitan Statistical Area: An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

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

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

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

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

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

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

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

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

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

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

Appendix D: Tables of Performance Data

Content of Standardized Tables

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

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

- Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.
- Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.
- Table U. Assessment Area Distribution of Consumer Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households in those geographies.
- Table V. Assessment Area Distribution of Consumer Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of households by income level in each MMSA/assessment area.

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$ (,000)	% 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
Magoffin County	24	2,204	100.0	114	0.0	0.0	0.0	51.8	50.0	45.6	48.2	50.0	54.4	0.0	0.0	0.0	0.0	0.0	0.0
Total	24	2,204	100.0	114	0.0	0.0	0.0	51.8	50.0	45.6	48.2	50.0	54.4	0.0	0.0	0.0	0.0	0.0	0.0

*Source: 2015 ACS; 01/01/2019 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%*

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$ (,000)	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Magoffin County	24	2,204	100.0	114	29.6	8.3	1.8	20.8	12.5	16.7	16.9	33.3	18.4	32.7	45.8	50.0	0.0	0.0	13.2
Total	24	2,204	100.0	114	29.6	8.3	1.8	20.8	12.5	16.7	16.9	33.3	18.4	32.7	45.8	50.0	0.0	0.0	13.2

*Source: 2015 ACS; 01/01/2019 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%*

Table U: Assessment Area Distribution of Consumer Loans by Income Category of the Geography													2019-21	
Assessment Area:	Total Consumer Loans			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts		
	#	\$ (,000)	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	
Magoffin County	38	764	100.0	0.0	0.0	52.0	52.6	48.0	47.4	0.0	0.0	0.0	0.0	
Total	38	764	100.0	0.0	0.0	52.0	52.6	48.0	47.4	0.0	0.0	0.0	0.0	

*Source: 2015 ACS; 01/01/2019 - 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													2019-21	
Assessment Area:	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income Borrowers		
	#	\$ (,000)	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	
Magoffin County non-MSA	38	764	100.0	33.8	13.2	16.6	21.1	16.4	26.3	33.2	21.1	0.0	18.4	
Total	38	764	100.0	33.8	13.2	16.6	21.1	16.4	26.3	33.2	21.1	0.0	18.4	

*Source: 2015 ACS; 01/01/2019 - 12/31/2021 Bank Data.
Due to rounding, totals may not equal 100.0%*