

PUBLIC DISCLOSURE

June 6, 2022

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

PromiseOne Bank
Certificate Number: 58657

2385 Pleasant Hill Road
Duluth, Georgia, 30096

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

10 10th Street NE, Suite 800
Atlanta, Georgia 30309-3849

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

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INSTITUTION RATING

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

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

The Lending Test is rated Satisfactory.

- The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and assessment areas' credit needs.
- The majority of loans are originated within the institution's assessment areas. This conclusion is based on the bank's lending in 2020. The bank's assessment area lending concentration in 2021 was greatly impacted by the COVID-19 pandemic, resulting in a majority of the 2021 loans being outside of the assessment area; therefore, more weight was placed on its 2020 performance. Refer to the Assessment Area Concentration section for details.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment areas.
- The distribution of borrowers reflects, given the demographics of the assessment areas, reasonable penetration among individuals of different income levels and businesses of different sizes.
- The bank did not receive any CRA-related complaints since the prior evaluation dated June 4, 2019; therefore, this criterion did not affect the Lending Test rating.

The Community Development Test is rated Satisfactory.

The institution demonstrated an overall adequate responsiveness to community development needs in its assessment areas through an excellent level of community development loans and an adequate level of qualified investments and community development services. Examiners considered the institution's capacity and the need and availability of such opportunities for community development in its assessment areas.

DESCRIPTION OF INSTITUTION

Background

PromiseOne Bank is a state-chartered, nonmember, financial institution headquartered in Duluth, Gwinnett County, Georgia (GA). PromiseOne Bank is wholly owned by PromiseOne Bancorp, Inc., a one bank holding company also headquartered in Duluth, GA. There have been no changes in control of the bank, and the bank has not engaged in any merger or acquisition activity since the previous evaluation. The bank does not have any subsidiaries or affiliates.

PromiseOne Bank received a “Satisfactory” rating at its previous FDIC CRA Performance Evaluation dated June 4, 2019, which was based on Interagency Intermediate Small Institution Examination Procedures.

Operations

PromiseOne Bank currently operates six full-service offices including five offices in GA and one office in Texas (TX). Since the previous evaluation, the bank opened an office located in Houston, TX on November 25, 2019. The Chamblee, GA office, located in a low-income census track, was closed on December 1, 2020. However, this closure has not adversely affected the accessibility to service in this area, due to the close proximity of its Doraville, GA branch. PromiseOne Bank currently operates four loan production offices (LPOs), including two in New York, New York, and one each in Aurora, Colorado and Dallas, TX. PromiseOne Bank closed its Fairfax Virginia LPO on January 31, 2020. All of the LPOs focus on SBA lending.

PromiseOne Bank’s primary business focus is commercial loans, specializing in Small Business Administration (SBA) lending, and home mortgage loans. Home mortgage loan production has increased since the previous evaluation. The bank also offers construction and farm loans.

The bank offers a variety of deposit products including checking, savings, money market, retirement, and certificate of deposit accounts. Deposit-related services include safe deposit boxes, night depository, notary, cashier checks, wire transfers, and direct deposit. Additionally, the bank offers alternative services including telephone banking, internet banking with bill payment, mobile banking with bill payment, account-to-account fund transfers, business online banking, business remote deposit, business ACH manager, deposit taking automated teller machines (ATMs), and access to ATMs through an interbank network.

Ability and Capacity

As of the March 31, 2022 Consolidated Report of Condition and Income (Call Report), PromiseOne Bank had total assets of \$584.6 million, total loans of \$413.9 million, total deposits of \$518.2 million, and total securities of \$80.7 million. As shown in the following table, commercial loans (loans secured by non-farm, non-residential properties and commercial and industrial loans) represent the largest portion of the loan portfolio at 59.9 percent, followed by loans secured by 1-4 family residential properties at 33.4 percent by dollar amount. No other loan category accounts for more than 3.7 percent of the loan portfolio.

Loan Portfolio Distribution as of 03/31/2022		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	9,357	2.3
Secured by Farmland	15,370	3.7
Secured by 1-4 Family Residential Properties	138,506	33.4
Secured by Multifamily (5 or more) Residential Properties	2,878	0.7
Secured by Nonfarm Nonresidential Properties	211,759	51.2
Total Real Estate Loans	377,870	91.3
Commercial and Industrial Loans	35,981	8.7
Agricultural Production and Other Loans to Farmers	-	-
Consumer Loans	79	0.0
Obligations of State and Political Subdivisions in the U.S.	-	-
Other Loans	1	0.0
Total Loans	413,931	100.0
<i>Source: Reports of Condition and Income</i>		

Examiners did not identify any financial, legal, or other impediments that would significantly affect the bank's ability to meet the credit needs of its assessment areas. However, the high level of poverty within the institution-wide assessment area and the high level of competition from small and large financial institutions, credit unions, and non-depository mortgage lenders may limit the availability of loan and investment opportunities. In addition, the COVID-19 Pandemic impacted lending and limited the bank's ability to provide community development services during the evaluation period. Refer to the *Description of Institution's Operations* in each assessment area section of this performance evaluation for additional details.

DESCRIPTION OF ASSESSMENT AREAS

The CRA regulation requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. PromiseOne Bank has delineated two assessment areas, one within the Atlanta-Sandy Springs-Alpharetta, GA MSA (Atlanta MSA Assessment Area) and one within the Houston-The Woodlands-Sugar Land, TX MSA (Houston MSA Assessment Area). The TX assessment area was added based on the opening of the Houston, TX branch office in November 2019.

Bank management delineated the assessment areas based on the locations of bank offices and the expectation of attracting and retaining a customer base within the areas surrounding those offices. The bank's assessment areas include whole geographies and do not arbitrarily exclude any low- or moderate-income areas that the bank could reasonably be expected to serve.

The following table provides a summary of the assessment areas, including the counties, number of census tracts, and number of offices.

Description of Assessment Areas			
Assessment Area	Counties in Assessment Area	# of CTs	# of Branches
Atlanta MSA	Barrow, Carroll, Cherokee, Clayton, Cobb, Coweta, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Henry, Rockdale, and Walton	853	5
Houston MSA	Harris	786	1
Total		1,639	6
<i>Source: Bank Data</i>			

Refer to the *Description of Institution’s Operations* in each assessment area section of this performance evaluation for additional details.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated June 4, 2019, to the current evaluation dated June 6, 2022. Examiners used the Interagency Intermediate Small Institutions Examination Procedures to evaluate the bank’s CRA performance. These procedures included the CRA Small Bank Lending Test and the Community Development Test, as described in the Appendices.

Full-scope reviews were performed in both the Atlanta MSA and Houston MSA Assessment Areas. The following table details the bank’s loans, deposits, and offices by assessment area.

Distribution of Loans, Deposits, and Offices by Assessment Area						
Assessment Area	Loans		Deposits		Offices	
	\$(000s)	%	\$(000s)	%	#	%
Atlanta MSA	51,601	96.6	470,640	95.0	5	83.3
Houston MSA	1,802	3.4	25,119	5.0	1	16.7
Total	53,403	100.0	495,759	100.0	6	100.0
<i>Source: Bank Data and FDIC Summary of Deposits (06/30/2021)</i>						

Examiners considered bank lending data, deposit volume, and number of offices to determine which assessment area would receive the most weight in assessing the bank’s overall CRA performance rating. As reflected above, a significant majority of loans, deposits, and offices are associated with the Atlanta MSA Assessment Area. As a result, performance in the Atlanta MSA Assessment Area received the most weight.

Activities Reviewed

Examiners reviewed the bank’s small business and home mortgage loans to assess its lending performance. These loans represent the bank’s major product lines based on business strategy and the number and dollar volume of loans originated during the evaluation period. Loans secured by farmland and agriculture production and consumer loans do not constitute a substantial portion of

the bank's loan portfolio, or represent a major product line. Therefore, they provided no material support for conclusions or ratings and are not presented. Small business loans received greater weight in determining the overall rating given the level of loans originated and reviewed by product type.

For the Lending Test, examiners reviewed the number and dollar volume of small business and home mortgage loans originated. While the number and dollar volume of loans are presented, examiners emphasized performance by number of loans because the number of loans is a better indicator of the number of businesses and individuals served. In 2020, the United States Government established the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), which implemented the Paycheck Protection Program (PPP) through the Small Business Administration (SBA) to offer economic relief to small businesses adversely impacted by the COVID-19 Pandemic. The program ended May 31, 2021.

During 2020, the bank originated 873 small business loans of which 823, or 94.3 percent, represent PPP loans totaling \$29.2 million. In 2021, the bank originated 923 small business loans of which 896, or 97.1 percent, represent PPP loans totaling \$28.5 million. The universe of small business loans was used to evaluate the bank's *Assessment Area Concentration* performance. Only small business loans originated within the assessment areas were used to evaluate *Geographic Distribution* performance.

Since business revenue information was not readily available, particularly with respect to PPP loans, only core (non-PPP) loans for which revenue information was obtained and that were originated within the assessment areas were selected to evaluate *Borrower Profile* performance. In 2020, the core small business loan sample included 23 loans totaling \$8.4 million and in 2021 the core small business sample included 5 loans totaling \$1.6 million. Management considered the core loan performance to be representative of the bank's performance during the entire review period. Dunn & Bradstreet (D&B) business demographic data for 2020 and 2021 provided a standard of comparison for small business lending.

PromiseOne Bank is not subject to the Home Mortgage Disclosure Act (HMDA) and, as such, is not required to collect and report data concerning applications for home purchase, home refinance, and home improvement loans. Therefore, this evaluation included an analysis of the bank's home mortgage loans originated during 2020 and 2021. In 2020, the bank originated 101 home mortgage loans totaling \$21.5 million. In 2021, the bank originated 456 home mortgage loans totaling \$101.9 million. The universe of home mortgage loans was used to evaluate the bank's *Assessment Area Concentration* performance. Only home mortgage loans originated within the bank's assessment areas were used to evaluate the bank's *Geographic Distribution* and *Borrower Profile* performance. Examiners analyzed the entire 2020 home mortgage loans originated in the assessment area to evaluate *Borrower Profile* performance. As borrower information was not readily available for 2021 home mortgage loans, a sample of 115 home mortgage loans totaling \$24.9 million were selected to evaluate *Borrower Profile* performance. Examiners used the percentage of owner-occupied housing units by geography within the assessment areas and the percentage of families by income level for comparison purposes.

For the Community Development Test, examiners reviewed PromiseOne Bank's community development loans, investments, and services since the previous evaluation. Qualified investments include new investments, as well as investments from the prior evaluation that are still held by the bank.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

PromiseOne Bank demonstrated reasonable performance under the Lending Test. The Loan-to-Deposit Ratio, Assessment Area Concentration, and Geographic Distribution primarily support this conclusion. Conclusions regarding the bank's overall performance are consistent with conclusions drawn for each rated area.

Loan-to-Deposit Ratio

PromiseOne Bank's average net loan-to-deposit (NLTD) ratio is reasonable given the institution's size, financial condition, and assessment areas' credit needs. A bank's NLTD ratio is calculated by dividing net loans and leases, which excludes loan loss reserves and unearned income, by total deposits.

The bank's NLTD ratio averaged 79.5 percent over the previous 12 calendar quarters from June 30, 2019, to March 31, 2022. During this time, the NLTD ratio ranged from a low of 74.8 percent as of June 30, 2020, to a high of 84.9 percent as of June 30, 2019.

Although PromiseOne Bank has many competitors within its assessment areas, there are no similarly situated institutions in terms of total assets, products, branch network, and markets served. Therefore, examiners compared PromiseOne Bank's average NLTD ratio to that of its peer group, as identified in the Uniform Bank Performance Report (UBPR). The UBPR peer group includes insured commercial banks having assets between \$300 million and \$1 billion. The UBPR peer group also represents financial institutions operating in different states and banking environments. The UBPR peer group's average NLTD ratio, calculated over the same 12 quarters, was 71.9 percent, which is lower than that of PromiseOne Bank. The UBPR peer group's NLTD ratio ranged from a low of 66.5 percent as of March 31, 2022, to a high of 80.8 percent as of June 30, 2019.

Assessment Area Concentration

PromiseOne Bank originated a majority of loans within the assessment areas in 2020. In 2021, however, the bank originate a majority of loans outside the assessment area. The bank's 2021 assessment area concentration was impacted by the large volume of PPP small business loans that originated outside of its assessment areas. Further, due to the Pandemic, PromiseOne Bank relied on mortgage broker loan referrals to originate home mortgage loans, which resulted in a larger volume of originations outside the bank's defined assessment areas. Given these factors, greater weight was given to the bank's 2020 performance since only a portion of 2020, but all of 2021, was impacted by the COVID-19 Pandemic. The following table details the dispersion of loans inside and outside of the bank's combined assessment area during 2020 and 2021.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Small Business										
2020	478	54.8	395	45.2	873	23,312	49.6	23,720	50.4	47,032
2021	453	49.1	470	50.9	923	13,659	35.9	24,422	64.1	38,081
Total	931	51.8	865	48.2	1,796	36,971	43.4	48,142	56.6	85,113
Home Mortgage										
2020	59	58.4	42	41.6	101	12,482	58.1	8,990	41.9	21,472
2021	179	39.3	277	60.7	456	39,744	39.0	62,193	61.0	101,937
Total	238	42.7	319	57.3	557	52,226	42.3	71,183	57.7	123,409
<i>Source: Bank Data; Due to rounding, totals may not equal 100.0%</i>										

Geographic Distribution

The geographic distribution of loans reflects an overall reasonable dispersion throughout the assessment areas. The bank’s small business lending performance was relatively consistent throughout the assessment areas. Home mortgage lending was exclusively in the Atlanta MSA Assessment Areas. Refer to the *Geographic Distribution* discussion in each assessment area section of this performance evaluation for additional details.

Borrower Profile

The distribution of borrowers reflects, given the demographics of the assessment areas, an overall reasonable penetration among businesses of different sizes and individuals of different income levels, including low- and moderate-income individuals. The bank’s small business lending performance was relatively consistent throughout the assessment areas. Home mortgage lending was exclusively in the Atlanta MSA Assessment Areas. Refer to the *Borrower Profile discussion in each assessment area* section of this performance evaluation for additional details.

Response to Complaints

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

COMMUNITY DEVELOPMENT TEST

PromiseOne Bank’s Community Development Test is rated Satisfactory. Overall, the bank’s community development performance demonstrates an overall reasonable responsiveness to the community development needs of the institution-wide assessment area through an excellent level of

community development loans, a reasonable level of qualified investments, and an adequate level of community development services. Examiners considering the institution’s capacity and the need and availability of such opportunities for community development in arriving at this conclusion.

Community Development Loans

Community development lending activity is considered excellent. During the evaluation period, the bank originated 23 community development loans totaling \$45.7 million. By dollar volume, this lending activity accounts for 11.0 percent of total loans and 7.8 percent of total assets, as of March 31, 2022. This level of community development lending reflects an increase since the previous evaluation when community development lending represented 9.0 percent of total loans and 6.8 percent of total assets. The community development loan numbers included seven loans, totaling \$12.2 million, extended outside of the assessment areas, but in broader Georgia and Texas statewide areas. These loans were included in the analysis since the bank was determined to be appropriately responsive to the needs and opportunities within the assessment areas.

PromiseOne Bank’s community development loans were extended to various organizations that promote economic development and the revitalization or stabilization of low- and moderate-income census tracts. The following tables detail the bank’s community development lending by assessment area, activity year, and purpose during the evaluation period.

Community Development Lending by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Atlanta MSA	-	-	-	-	1	1,125	13	29,005	14	30,130
Houston MSA	-	-	-	-	2	3,325	-	-	2	3,325
Statewide Activities	-	-	-	-			7	12,235	7	12,235
Total	-	-	-	-	3	4,450	20	41,240	23	45,690
<i>Source: Bank Data</i>										

Community Development Lending by Year										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2019 (Partial)	-	-	-	-	1	1,800	6	10,355	7	12,155
2020	-	-	-	-			5	10,316	5	10,316
2021	-	-	-	-	2	2,650	6	11,739	8	14,389
YTD 2022	-	-	-	-	-	-	3	8,830	3	8,830
Total	-	-	-	-	3	4,450	20	41,240	23	45,690
<i>Source: Bank Data</i>										

Below are examples of broader statewide community development loans originated:

- The bank originated a \$3.6 million SBA 7(a) program loan to purchase a hotel located in a low-income census tract. The loan revitalized and stabilized the local area by retaining 15 jobs for low- and moderate-income persons.
- The bank originated a \$1 million SBA 7(a) loan to purchase a gas station and convenience store located in a moderate-income tract. The loan helped to stabilize the local area by retaining five jobs for low- and moderate-income persons.

Refer to the *Community Development Test* section of each assessment area for further details of the bank’s community development loans.

Qualified Investments

The bank displayed a reasonable record of providing qualified investments within its assessment areas and/or broader statewide areas. During the evaluation period, the bank made or maintained 11 qualified investments totaling \$9.7 million, comprised entirely of municipal bonds. In addition, the bank made eight donations totaling \$44,000. As of March 31, 2022, qualified investments totaled 12.0 percent of total securities and 1.7 percent of total assets. This level of qualified investments represents an increase from the previous evaluation when investments totaled \$3.0 million and represented 6.9 percent of total securities and 0.8 percent of total assets. Additionally, two investments were purchased that benefitted the broader Texas statewide area. These investments were included in the analysis since the bank had been responsive to the needs and opportunities within its assessment areas. The following tables detail community development qualified investments by assessment area, year, and purpose during the evaluation period.

Qualified Investments										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	-	-	-	-	3	1,808	-	-	3	1,808
2019	-	-	-	-	-	-	1	505	1	505
2020	-	-	-	-	4	4,311	1	1,000	5	5,311
2021	-	-	-	-	1	1,000	1	1,054	2	2,054
YTD 2022	-	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	8	7,119	3	2,559	11	9,678
Qualified Grants & Donations			8	44					8	44
Total			8	44	8	7,119	3	2,559	19	9,722
<i>Source: Bank Data</i>										

Qualified Investments by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Atlanta MSA	-	-	8	44	6	5,672	1	1,000	15	6,716
Houston MSA	-	-	-	-	2	1,447	-	-	2	1,447
Statewide (Texas)	-	-	-	-	-	-	2	1,559	2	1,559
Total	-	-	8	44	8	7,119	3	2,559	19	9,722

Source: Bank Data

Below are details of the statewide qualified investments:

- In 2019, the bank purchased a revenue bond in the amount of \$505,000 that supported extensions, additions, and improvements to the water and sewer systems in Montgomery County, TX. This investment promotes revitalization and stabilization by improving the water and sewer system services to a number of low- and moderate-income areas.
- In 2020, the bank purchased a revenue bond in the amount of \$1 million that benefited the City of San Antonio, TX Electric and Gas systems. The bond helped with the loss of revenue during the COVID-19 Pandemic and provided assistance to low- and moderate-income individuals and families.

Refer to the Community Development Test section of each assessment area for further summaries of qualified investments and donations.

Community Development Services

PromiseOne Bank provided an overall adequate level of community development services that has helped to address needs within the assessment areas. None of the services, however, were provided in the Houston MSA Assessment Area. During the evaluation period, bank employees provided 23 instances of financial expertise or technical assistance to several organizations within the Atlanta MSA Assessment Area. The level of community development services provided by the bank increased since the previous evaluation when there were 10 instances of financial services provided by employees. It is noted that restrictions implemented during the COVID-19 pandemic limited opportunities for community development activities.

The following tables reflect community development services by assessment area, activity year, and purpose.

Community Development Services by Rated Area					
Rated Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
Atlanta MSA	-	23	-	-	23
Houston MSA	-	-	-	-	-
Total	-	23	-	-	23
<i>Source: Bank Data</i>					

Community Development Services					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2019	-	9	-	-	9
2020	-	1	-	-	1
2021	-	7	-	-	7
YTD 2022	-	6	-	-	6
Total	-	23	-	-	23
<i>Source: Bank Data</i>					

Notable examples of the institution-wide community development services offered during the evaluation period include:

- The bank offers Interest on Lawyers Trust Accounts (IOLTAs). The interest earned by the law firms on the IOLTAs is used to fund pro bono legal services for low- and moderate-income individuals and is administered by the Georgia Bar Foundation.
- The bank offers a “Happy Checking” account with no service fees no minimum balance requirement, and a \$100 or less minimum opening deposit requirement. This account is beneficial to the low- and moderate-income populace within the assessment areas.

Refer to the *Community Development Test* section of each assessment area for further details of the bank’s Community Development Services.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The bank’s compliance with the laws relating to discrimination and other illegal credit practices was reviewed, including the Fair Housing Act and the Equal Credit Opportunity Act. No evidence of discriminatory or other illegal credit practices inconsistent with helping meet community credit needs was identified.

GEORGIA – Full-Scope Review

CRA RATING FOR GEORGIA: SATISFACTORY

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Satisfactory

DESCRIPTION OF INSTITUTION’S OPERATIONS IN GEORGIA

The bank operates five, or 83.3 percent, of its six bank offices in the Atlanta MSA Assessment Area. The assessment area consists of Barrow, Carroll, Cherokee, Clayton, Cobb, Coweta, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Henry, Rockdale, and Walton Counties in their entirety. The assessment area accounts for 96.6 percent of total loans and 95.0 percent of bank-wide deposits.

Economic and Demographic Data

The 2015 ACS data and 2021 D&B data show that a majority of owner-occupied housing units and businesses in the assessment area are in middle- and upper-income census tracts. The following table presents demographic information from the 2015 ACS and 2021 D&B data.

Demographic Information of the Atlanta MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	853	11.4	25.1	28.0	34.6	0.9
Population by Geography	4,915,827	7.9	25.0	31.7	35.1	0.3
Housing Units by Geography	1,955,405	9.0	25.6	30.4	34.9	0.1
Owner-Occupied Units by Geography	1,093,179	3.4	19.0	34.3	43.3	0.0
Occupied Rental Units by Geography	654,624	15.6	34.6	25.2	24.4	0.3
Vacant Units by Geography	207,602	17.1	32.2	26.2	24.3	0.2
Businesses by Geography	956,756	6.5	23.1	29.3	40.6	0.4
Farms by Geography	15,003	4.6	21.3	35.9	38.0	0.1
Family Distribution by Income Level	1,171,192	22.6	16.4	17.8	43.2	0.0
Household Dist. by Income Level	1,747,803	23.4	16.2	17.3	43.1	0.0
Median Family Income, Atlanta MSA	\$67,322	Median Housing Value				\$191,242
		Median Gross Rent				\$1,010
		Families Below Poverty Level				11.9%
<small>Source: 2015 ACS and 2021 D&B Data; Due to rounding, totals may not equal 100.0%, (*) The NA category consists of geographies that have not been assigned an income classification.</small>						

Examiners used the FFIEC’s median family income (MFI) data to analyze the bank’s home mortgage lending under the *Borrower Profile* criterion. The following table reflects the MFI ranges for the low-, moderate-, middle-, and upper-income categories in the Atlanta, GA MSA.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Atlanta-Sandy Springs-Alpharetta, GA MSA Median Family Income (12060)				
2020 (\$82,200)	<\$41,100	\$41,100 to <\$65,760	\$65,760 to <\$98,640	≥\$98,640
2021 (\$85,700)	<\$42,850	\$42,850 to <\$68,560	\$68,560 to <\$102,840	≥\$102,840
<i>Source: FFIEC</i>				

According to 2020 D&B data, there were 719,484 non-farm businesses operating within the Atlanta MSA Assessment Area. Gross annual revenues for these businesses are:

- 91.4 percent have \$1 million or less,
- 2.9 percent have more than \$1 million, and
- 5.7 percent have unknown revenues.

According to 2021 D&B data, there were 956,756 non-farm businesses operating within the Atlanta MSA Assessment Area. Gross annual revenues for these businesses are:

- 93.1 percent have \$1 million or less,
- 2.1 percent have more than \$1 million, and
- 4.8 percent have unknown revenues.

The analysis of small business loans under the Borrower Profile criterion compares the distribution of businesses by gross annual revenues. Service industries represent the largest portion of businesses (33.9 percent) in the assessment area, followed by non-classifiable establishments (31.7 percent). Finance, insurance, and real estate (9.5 percent), retail trade (8.7 percent), and various other sectors make up the remaining percentages. In addition, 58.2 percent of the businesses in the assessment area have four or fewer employees and 95.2 percent operate from a single location.

Employment Conditions/Major Employers

According to the Bureau of Labor Statistics, unemployment rates have declined. The following table reflects the average annual unemployment rates and trends for the assessment area counties, State of Georgia, and nation during the evaluation period.

Unemployment Rates			
Area	2019	2020	2021
	%	%	%
Barrow County	3.0	5.0	2.9
Carroll County	3.6	6.3	3.7
Cherokee County	2.9	4.8	2.6
Clayton County	4.5	10.3	6.5
Cobb County	3.0	5.9	3.3
Coweta County	3.1	6.1	3.4
DeKalb County	3.6	7.9	4.6
Douglas County	3.7	7.2	4.4
Fayette County	3.1	5.3	2.9
Forsyth County	2.9	4.5	2.5
Fulton County	3.5	7.9	4.7
Gwinnett County	3.0	6.3	3.5
Henry County	3.7	7.3	4.2
Rockdale County	4.0	7.6	4.6
Walton County	3.2	5.3	3.2
State of Georgia	3.4	5.5	3.9
National Average	3.7	8.1	5.3
<i>Source: Bureau of Labor Statistics</i>			

Top employers in the Atlanta MSA Assessment Area include Delta Air Lines Inc., Emory University, Gwinnett County School System, Northside Hospital, and Publix Super Market.

Competition

The Atlanta MSA Assessment Area is highly competitive in the financial services market. The FDIC June 30, 2021 Summary of Deposits revealed that 76 FDIC-insured institutions operated 1,022 bank offices within this assessment area. Of these institutions, PromiseOne ranked 28th, with a 0.2 percent market share. The top five financial institutions accounted for 74.4 percent of the deposit market share and include Truist Bank, Bank of America, Wells Fargo Bank, JP Morgan Chase Bank, and Synovus Bank.

Community Contacts

As part of the CRA evaluation process, examiners typically contact third parties in a bank’s assessment area to gain additional insight regarding local economic conditions and to assist in identifying area credit and community development needs. This information helps determine whether local financial institutions are responsive to these needs and to identify what opportunities are available.

Examiners used an existing contact from a representative of an economic development organization within DeKalb County. The contact stated that there is a substantial need for small business lending throughout the county and especially in the southern portion, where stakeholders are identifying a need for more access to small business credit for the continued development and success of local businesses. Other primary credit needs include financial literacy and technical assistance, with new

and existing small businesses needing assistance in establishing effective financial management and banking practices for short- and long-term success. The contact indicated that there are opportunities for local financial institutions in meeting these needs.

Credit and Community Development Needs and Opportunities

A review of demographic and economic data, as well as community contact information, indicate the need for small business loans in the bank's assessment area. The high percentage of small businesses operating in the assessment area also supports this conclusion. In particular, the need for loans to finance business start-up costs was noted by the community contact.

Further, home mortgage loans, including affordable home loan products, are an assessment area credit need. The distribution of owner-occupied housing units, the percentage of low- and moderate-income families in the assessment area (3.4 percent and 19.0 percent, respectively), and the median housing value of \$191,242, support this conclusion.

SCOPE OF EVALUATION - GEORGIA

The evaluation of performance within the State of Georgia is based on and includes the bank's lending and community development activities in the Atlanta MSA Assessment Area. A full-scope review was conducted for the Atlanta MSA Assessment Area.

CONCLUSIONS ON PERFORMANCE CRITERIA IN GEORGIA

LENDING TEST

PromiseOne Bank's lending performance within the Atlanta MSA Assessment Area reflects satisfactory performance. The bank's overall reasonable geographic distribution and borrower profile performance within the assessment area support this conclusion.

Geographic Distribution

The overall geographic distribution of loans reflects reasonable dispersion throughout the assessment area.

Small Business Loans

The geographic distribution of small business loans reflects a reasonable penetration throughout the assessment area. Lending in low-income census tracts in 2020 was above demographic data and in 2021 was comparable to demographic data. Lending in moderate-income census tracts was significantly above demographics in 2020, but decreased and was below demographics in 2021.

Geographic Distribution of Small Business Loans Atlanta MSA Assessment Area					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low					
2020	5.9	27	6.4	1,111	5.1
2021	6.5	25	6.2	495	4.2
Moderate					
2020	21.9	115	27.1	5,874	27.0
2021	23.1	73	18.1	1,656	14.0
Middle					
2020	28.8	139	32.8	5,769	26.6
2021	29.3	145	35.9	4,823	40.7
Upper					
2020	42.8	143	33.7	8,969	41.3
2021	40.6	160	39.6	4,874	41.1
Not Available					
2020	0.5	0	0.0	0	0.0
2021	0.4	1	0.2	9	0.1
Totals					
2020	100.0	424	100.0	21,723	100.0
2021	100.0	404	100.0	11,857	100.0
<i>Source: 2020 & 2021 D&B Data; Bank Data; Due to rounding, totals may not equal 100.0%</i>					

Home Mortgage Loans

The geographic distribution of home mortgage loans is reasonable.

The bank did not originate any loans in low-income census tracts in 2020. In 2021, bank lending in low-income census tracts was 2.2 percent, which is below demographics, but is considered reasonable. The low level of owner-occupied housing units within low-income census tracts indicates limited lending opportunities in these areas.

Bank lending in moderate-income census tracts was at 20.3 percent, which exceeded demographics, in 2020. In 2021, lending in moderate-income geographies was at 12.8 percent, which is below demographics.

Geographic Distribution of Home Mortgage Loans Atlanta MSA Assessment Area					
Tract Income Level	% of Owner-Occupied Housing Units	#	%	\$(000s)	%
Low					
2020	3.4	0	0.0	0	0.0
2021	3.4	4	2.2	639	1.6
Moderate					
2020	19.0	12	20.3	1,713	13.7
2021	19.0	23	12.8	4,313	10.9
Middle					
2020	34.3	16	27.1	2,739	21.9
2021	34.3	61	34.1	13,011	32.7
Upper					
2020	43.3	31	52.5	8,030	64.3
2021	43.3	91	50.8	21,781	54.8
Totals					
2020	100.0	59	100.0	12,482	100.0
2021	100.0	179	100.0	39,744	100.0
<i>Source: 2015 ACS; Bank Data, Due to rounding, totals may not equal 100.0%</i>					

Borrower Profile

The overall distribution of borrowers reflects reasonable penetration among businesses of different sizes and borrowers of different income levels.

Small Business Loans

The distribution of small business loans reflects reasonable penetration among businesses of different sizes.

Examiners analyzed the universe of core loans where revenues were collected to determine the bank's performance in lending to small businesses of different sizes. In 2020 and 2021, the bank originated 24 loans in this assessment area where revenues were reported. Of these loans, 21 or 87.5 percent were to businesses with revenues under \$1 million. The area demographics in 2020 and 2021 reflect that 91.4 and 93.1 percentage (respectively) of area businesses had gross annual revenues of \$1 million or less. Although slightly below demographics, this displays a willingness to lend to small businesses.

Moreover, examiners also evaluated the universe of small business loans originated inside the assessment area during 2020 and 2021 using loan size as a proxy for the size of the business served. A significant majority of the small business loans originated in the assessment area, by number, had loan

sizes of \$100,000 or less, indicating that the bank is helping to serve the needs of small businesses in the assessment area. The following table reflects the distribution of small business loans by loan size.

Distribution of Small Business Loans by Loan Size 2020				
Loan Size	Count	Percent	\$(000s)	Percent
<\$100,000	371	87.5	8,368	38.5
\$100,000 - \$249,999	29	6.8	3,015	13.9
\$250,000 - \$499,999	17	4.0	6,011	27.7
\$500,000 - \$1,000,000	7	1.7	4,329	19.9
Total	424	100.0	21,723	100.0
<i>Source: 2020 Bank Data</i>				

Distribution of Small Business Loans by Loan Size 2021				
Loan Size	Count	Percent	\$(000s)	Percent
<\$100,000	385	95.3	6,428	54.2
\$100,000 - \$249,999	13	3.2	2,145	18.1
\$250,000 - \$499,999	2	0.5	819	6.9
\$500,000 - \$1,000,000	4	1.0	2,465	20.8
Total	404	100.0	11,857	100.0
<i>Source: 2021 Bank Data</i>				

Home Mortgage Loans

The distribution of borrowers reflects overall reasonable penetration among borrowers of different income levels.

Bank lending to low-income borrowers in 2020 and 2021 was below demographics. However, lending to moderate-income borrowers, significantly exceeded demographics in 2020 and 2021.

The following table reflects the distribution of home mortgage loans within the Atlanta Assessment Area.

Distribution of Home Mortgage Loans by Borrower Income Level Atlanta MSA Assessment Area					
Borrower Income Level	% of Families	#	%	\$(000s)	%
Low					
2020	22.6	4	6.8	455	3.6
2021	22.6	4	3.5	492	2.0
Moderate					
2020	16.4	33	55.9	5,925	47.5
2021	16.4	31	27.0	5,940	23.8
Middle					
2020	17.8	11	18.6	2,521	20.2
2021	17.8	58	50.4	11,463	46.0
Upper					
2020	43.2	11	18.6	3,581	28.7
2021	43.2	22	19.1	7,022	28.2
Totals					
2020	100.0	59	100.0	12,482	100.0
2021	100.0	115	100.0	24,917	100.0
<i>Source: 2015 ACS; Bank Data, Due to rounding, totals may not equal 100.0%</i>					

COMMUNITY DEVELOPMENT TEST

PromiseOne Bank has demonstrated overall satisfactory responsiveness to the community development needs of the Atlanta MSA Assessment Area through community development loans, qualified investments, and community development services.

Community Development Loans

The bank originated 14 community development loans totaling \$30.1 million within this assessment area. In addition, the bank originated three community development loans totaling \$6.6 million within the broader statewide Georgia area. These loans represents 73.9 percent by number and 80.3 percent by dollar volume of the total community development loans originated institution-wide during the evaluation period. The bank extended the loans to businesses that promoted economic development and provided revitalization/stabilization in the low- and moderate-income geographies in the assessment area.

Refer to the *Community Development Lending Tables* on page eight of this performance evaluation for details on the bank's community development lending activities by year and purpose during the evaluation period for this assessment area.

Below are examples of community development loans originated in this assessment area during the evaluation period:

- The bank originated a \$4.8 million SBA 7(a) program loan to purchase a hotel located in a low-income census tract. The loan promoted economic development in the local area by retaining 21 jobs for low- and moderate-income persons.
- The bank originated a \$1.1 million SBA 7(a) program loan to purchase an existing property to renovate and improve for use as a dental office in a low-income census tract. The loan helps to revitalize and stabilize an essential service in a low-income census tract and will benefit low- and moderate-income persons.
- The bank originated a \$1.1 million SBA 7(a) program loan to open a general internal medicine office at an existing location. The office is located in a moderate-income census tract. The loan promotes economic development as it will create six new jobs that benefit low- and moderate-income persons.
- The bank originated two loans in the amounts of \$2.6 million and \$1.7 million as a part of the SBA’s PPP program. The loans helped to stabilize the community by retaining over 500 jobs for low- and moderate-income individuals.

Qualified Investments

During the evaluation period, the bank purchased or retained seven investments totaling \$6.7 million and made eight donations totaling \$44,000 in the Atlanta MSA Assessment Area. This activity represents 78.9 percent by number and 69.1 percent by dollar volume of the bank’s total qualified investments during the period. Investments promoted economic development or revitalization/stabilization of the area, while donations supported community services. The following table details qualified investments in the Atlanta MSA assessment area.

Qualified Investments Atlanta MSA Assessment Area										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	-	-	-	-	2	1,382	-	-	2	1,382
2019	-	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	3	3,290	1	1,000	4	4,290
2021	-	-	-	-	1	1,000	-	-	1	1,000
YTD 2022	-	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	6	5,672	1	1,000	7	6,672
Qualified Grants & Donations			8	44	-	-	-	-	8	44
Total			8	44	6	5,672	1	1,000	15	6,716

Source: Bank Data

Below are examples of community development investments purchased in this assessment area during the evaluation period:

- In 2020, the bank purchased a \$1 million bond in Gwinnett County. The purpose of the bond was to purchase land in the county to promote projects designed to rehabilitate and redevelop the land in the interest of public health. The area is within both a Tax Allocation District and an Opportunity Zone.
- In 2020, the bank purchased a revenue bond totaling \$1 million to help with the loss of revenue during the COVID-19 Pandemic and provide assistance to low- and moderate-income individuals and families.

Community Development Services

PromiseOne Bank employees conducted 23 instances of community development services that benefited this assessment area during the evaluation period. The following table details those services by year and purpose.

Community Development Services Atlanta MSA Assessment Area					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2019 (Partial)	-	9	-	-	9
2020	-	1	-	-	1
2021	-	7	-	-	7
YTD 2022	-	6	-	-	6
Total	-	23	-	-	23
<i>Source: Bank Data</i>					

Below are community development services provided in the Atlanta MSA Assessment Area:

- In 2019 and 2021, a member of bank management served on the Board and provided financial expertise for a 501(c)(4) non-profit organization that is involved with sponsoring youths at a local Title 1 school.
- In 2019, 2021, and 2022, five to six employees participated in a one day event to provide financial literacy education to schools where a majority of students received free or reduced-priced meals.

TEXAS – Full-Scope Review

CRA RATING FOR TEXAS: SATISFACTORY

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Satisfactory

DESCRIPTION OF INSTITUTION’S OPERATIONS IN TEXAS

The bank operates one, or 16.7 percent, of its six bank offices in the Houston MSA Assessment Area. The assessment area consists of Harris County, in its entirety. The assessment area accounts for 3.4 percent of total loans and 5.0 percent of bank-wide deposits. The Houston branch opened in November 2019, shortly before the COVID-19 pandemic. Texas State restrictions were implemented in early 2020 and, as a result, the branch lobby was closed and customer visits were limited to appointment only visits through May 2021. PromiseOne management explained that the COVID-19 pandemic restrictions significantly impacted the overall growth of this new office.

Economic and Demographic Data

The 2015 ACS Census and 2021 D&B data show that a majority of owner-occupied housing units and businesses in the assessment area are in middle- and upper-income areas. The following table presents demographic information from the 2015 ACS census and 2021 D&B data.

Demographic Information of the Houston MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	786	18.7	31.8	21.2	27.5	0.8
Population by Geography	4,356,362	15.8	30.7	25.3	27.9	0.4
Housing Units by Geography	1,660,235	16.5	29.0	24.1	30.0	0.4
Owner-Occupied Units by Geography	823,646	7.5	25.8	27.9	38.8	0.1
Occupied Rental Units by Geography	675,882	25.1	32.4	21.0	20.9	0.7
Vacant Units by Geography	160,707	26.3	31.6	18.6	23.2	0.4
Businesses by Geography	465,018	12.6	21.1	21.5	44.6	0.3
Farms by Geography	5,931	8.0	18.1	24.6	49.3	0.1
Family Distribution by Income Level	1,024,967	27.7	17.1	17.0	38.1	0.0
Household Distribution by Income Level	1,499,528	27.2	16.9	17.0	38.9	0.0
Median Family Income MSA - 26420 Houston-The Woodlands-Sugar Land, TX MSA		\$69,373	Median Housing Value			\$171,147
			Median Gross Rent			\$954
			Families Below Poverty Level			14.9%

*Source: 2015 ACS and 2021 D&B Data, Due to rounding, totals may not equal 100.0%.
(*) The NA category consists of geographies that have not been assigned an income classification.*

Examiners used the FFIEC’s median family income (MFI) data to analyze the bank’s home mortgage lending under the *Borrower Profile* criterion. The following table reflects the MFI ranges for the low-, moderate-, middle-, and upper-income categories in the Houston, TX MSA.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Houston-The Woodlands-Sugar Land, TX MSA Median Family Income (26420)				
2020 (\$80,000)	<\$40,000	\$40,000 to <\$64,000	\$64,000 to <\$96,000	≥\$96,000
2021 (\$79,800)	<\$39,900	\$39,900 to <\$63,840	\$63,840 to <\$95,760	≥\$95,760
<i>Source: FFIEC</i>				

According to the 2020 D&B data, there were 421,699 non-farm businesses operating within the Houston MSA Assessment Area. Gross annual revenues for these businesses are:

- 87.0 percent have \$1 million or less,
- 5.1 percent have more than \$1 million, and
- 7.9 percent have unknown revenues.

According to the 2021 D&B data, there were 465,018 non-farm businesses operating within the Houston MSA Assessment Area. Gross annual revenues for these businesses are:

- 87.4 percent have \$1 million or less,
- 4.6 percent have more than \$1 million, and
- 8.0 percent have unknown revenues.

The analysis of small business loans under the Borrower Profile criterion compares the distribution of businesses by gross annual revenues. Service industries represent the largest portion of businesses (38.8 percent) in the assessment area, followed by non-classifiable establishments (18.8 percent). Retail trade (11.4 percent), finance, insurance, and real estate (11.2 percent), and various other sectors make up the remaining percentages. In addition, 64.6 percent of the businesses in the assessment area have four or fewer employees and 91.6 percent operate from a single location.

Employment Conditions/Major Employers

According to the Bureau of Labor Statistics, unemployment rates have declined. The following table reflects the average annual unemployment rates and trends for the Harris County, State of Texas, and nation during the evaluation period.

Unemployment Rates			
Area	2019	2020	2021
	%	%	%
Harris County	3.9	9.0	6.5
State of Texas	3.5	7.7	5.7
National Average	3.7	8.1	5.3
<i>Source: Bureau of Labor Statistics</i>			

Top employers in the assessment area include H-E-B Grocery Company, Houston Methodist Hospital, Memorial Hermann Health Care System, University of Texas MD Anderson Cancer Center, and Walmart.

Competition

The Houston MSA Assessment Area is highly competitive in the financial services market. The FDIC’s June 30, 2021 Summary of Deposits revealed that 78 FDIC-insured institutions operated 922 bank offices within this assessment area. Of these institutions, PromiseOne Bank ranked 28th, with a 0.1 percent market share. The top five financial institutions accounted for 77.0 percent of the deposit market share and included JP Morgan Chase Bank, Wells Fargo Bank, Bank of America, BBVA USA, and Zions Bancorporation, N.A.

SCOPE OF EVALUATION – TEXAS

The evaluation of performance within the State of Texas is based on and includes the bank’s lending and community development activities in the Houston MSA assessment area. A full-scope review was conducted for the Houston MSA assessment area.

CONCLUSIONS ON PERFORMANCE CRITERIA IN TEXAS

LENDING TEST

Lending levels reflect a reasonable responsiveness to the assessment area’s credit needs. The bank’s overall reasonable geographic distribution and borrower profile performance support this conclusion. Only loans originated within the assessment were included for analysis purposes.

Geographic Distribution

The overall geographic distribution of loans reflects reasonable dispersion throughout the assessment area.

Small Business Loans

The geographic distribution of small business loans reflects a reasonable penetration throughout the assessment area. Lending in low-income census tracts in 2020 and 2021 was significantly above demographic performance data. Lending in moderate-income census tracts was also significantly above demographic in 2020 and 2021.

Geographic Distribution of Small Business Loans Houston MSA Assessment Area					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low					
2020	12.7	19	35.2	971	61.1
2021	12.6	8	16.3	269	11.3
Moderate					
2020	21.2	21	38.9	465	29.3
2021	21.1	15	30.6	992	55.0
Middle					
2020	21.3	7	13.0	58	3.6
2021	21.5	16	32.7	338	18.8
Upper					
2020	44.5	7	13.0	95	6.0
2021	44.6	10	20.4	203	11.3
Totals					
2020	100.0	54	100.0	1,589	100.0
2021	100.0	49	100.0	1,802	100.0
<i>Source: 2020 & 2021 D&B Data; Bank Data; Due to rounding, totals may not equal 100.0%</i>					

Home Mortgage Loans

There were no home mortgage loans originated in the Houston MSA Assessment Area during the evaluation period.

Borrower Profile

The overall distribution of borrowers reflects a reasonable penetration among businesses of different sizes and borrowers of different incomes.

Small Business Loans

The distribution of small business loans reflects a reasonable penetration among businesses of different sizes.

Examiners analyzed the universe of core loans where revenues were collected to determine the bank's performance in lending to small businesses of different sizes. In 2020 and 2021, the bank originated four loans with revenues reporting, of which four or 100.0 percent were to businesses with revenues under \$1 million. The area demographics in 2020 and 2021 reflect that 87.0 and 87.4 percent (respectively) of area businesses have gross annual revenues of \$1 million or less. This displays a willingness to lend to small businesses.

Examiners also evaluated the universe of small business loans originated inside the assessment area during 2020 and 2021, using loan size as a proxy for the size of the business served. A significant

majority of the small business loans originated in the assessment area, by number, had loan sizes of \$100,000 or less, indicating that the bank is helping to serve the needs of small businesses in the assessment area. The following tables reflect the distribution of small business loans by loan size.

Distribution of Small Business Loans by Loan Size 2020				
Loan Size	Count	Percent	\$(000s)	Percent
<\$100,000	53	98.1	988	62.2
\$100,000 - \$249,999	-	-	-	-
\$250,000 - \$499,999	-	-	-	-
\$500,000 - \$1,000,000	1	1.9	601	37.8
Total	54	100.0	1,589	100.0
<i>Source: 2020 Bank Data</i>				

Distribution of Small Business Loans by Loan Size 2021				
Loan Size	Count	Percent	\$(000s)	Percent
<\$100,000	46	93.9	916	50.8
\$100,000 - \$249,999	1	2.0	145	8.1
\$250,000 - \$499,999	2	4.1	741	41.1
\$500,000 - \$1,000,000	-	-	-	-
Total	49	100.0	1,802	100.0
<i>Source: 2021 Bank Data</i>				

Home Mortgage Loans

There were no home mortgage loans originated in the Houston MSA Assessment Area in 2020 or 2021.

COMMUNITY DEVELOPMENT TEST

PromiseOne Bank has demonstrated an overall satisfactory responsiveness to the community development needs of the Houston MSA Assessment Area through community development loans and qualified investments

Community Development Loans

During the evaluation period, the bank originated two community development loans totaling \$3.3 million in the assessment area. In addition, the bank originated four community development loans totaling \$5.7 million within the broader statewide Texas area. These six loans represents 26.1 percent by number and 19.7 percent by dollar volume of total community development loans originated institution-wide during the evaluation period. The bank extended the loans to businesses that promoted economic development and provided revitalization/stabilization in the low- and moderate-income geographies in the assessment area.

Below are examples of the community development loan originated in this assessment area during the evaluation period:

- In 2019, the bank originated a \$1.8 million SBA 7(a) program loan to purchase and renovate an existing commercial real estate property in a low-income census tract. The loan promoted economic development in the local area by creating new jobs for low- and moderate-income persons.
- In 2021, the bank originated a \$1.5 million SBA 7(a) program loan to purchase and renovate an existing commercial real estate. The loan promoted economic development by creating new jobs for low- and moderate-income persons.

Qualified Investments

During the evaluation period, the bank purchased two investments totaling \$1.4 million within the assessment area. In addition, the bank purchased two investments totaling \$1.6 million in the broader statewide Texas area. No donations were made within the Houston MSA Assessment Area during this evaluation period. These four investments represent 21.1 percent by number and 30.9 percent by dollar volume of the bank's total qualified investments during the period. Investments promoted economic development or revitalization/stabilization of the area.

Below are examples of community development investments purchased in this assessment area during the evaluation period:

- A \$425,132 municipal bond was purchased in Harris County to improve citywide water and wastewater systems, which benefits all residents, including low- and moderate-income residents.
- A \$1.0 million municipal bond was purchased in Harris County. The transit authority provides public transportation services for all residents, including low- and moderate-income individuals.

Community Development Services

There were no Community Development Services provided in the Houston MSA Assessment Area during the review period.

APPENDICES

INTERMEDIATE SMALL BANK PERFORMANCE CRITERIA

Lending Test

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

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

Community Development Test

The Community Development Test considers the following criteria:

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

SUMMARY OF RATINGS FOR RATED AREAS

Rated Area	Lending Test	Community Development Test	Rating
Georgia	Satisfactory	Satisfactory	Satisfactory
Texas	Satisfactory	Satisfactory	Satisfactory

GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

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

Community Development Loan: A loan that:

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

Community Development Service: A service that:

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

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

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

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

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

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

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

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

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

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

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

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

Limited-Scope Review: A limited-scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area.

Performance under applicable tests is often analyzed using only quantitative factors (e.g., geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

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

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

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

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

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

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

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

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

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

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.

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

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

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

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

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

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

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

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