



Bank *of* Franklin

CRA Public File

Bank of Franklin has the following branches and locations:

- Main Office located at 9 Main Street E, Meadville, MS 39653, census tract 9501.01, Franklin County
- Drive Thru branch located at 210 South Walnut Street, Meadville, MS 39653, census tract 9501.01, Franklin County
- Branch located at 721 Brookway Boulevard, Brookhaven, MS 39601, census tract 9506.01, Lincoln County, opened on April 7, 2008
- Branch located at 511 Apache Drive, McComb, MS 39648, census tract 9504.00, Pike County, opened June 4, 2014
- Branch located at 601 Franklin Street, Natchez, MS 39120, census tract 0007.00, Adams County, opened April 1, 2025

A branch, located at 140 West Boulevard, Roxie, MS 39661, census tract 9502.00, Franklin County, closed August 27, 2010.

A branch, located at 115 Main Street, Bude, MS 39630, census tract 9501.01, Franklin County, closed December 31, 2021.

The Main Office located at 9 Main Street, Meadville, MS is a 'Full Service' Bank with services outlined on the attached brochure.

The Hours for the Bank's Main Office are:

9:00 A.M. – 4:30 P.M. Monday – Thursday

9:00 A.M. – 5:30 P.M. Friday

The Drive Thru is located at 210 South Walnut Street, Meadville, MS with services that include:

- Deposit
- Check Cashing
- Sale of Official Checks
- Night Depository
- ATM located at this branch

The Drive Thru Hours are:

9:00 A.M. – 1:00 P.M. and 2:00 P.M. – 4:30 P.M. Monday – Thursday

9:00 A.M. – 1:00 P.M. and 2:00 P.M. – 5:30 P.M. Friday

The Brookhaven Branch is located at 721 Brookway Boulevard, Brookhaven, MS is a 'Full Service' Bank with services outlined on the attached brochure. An ATM is located at this location.

Brookhaven Branch Hours are:

Lobby Hours: 9:00 A.M. – 4:30 P.M. Monday – Thursday

9:00 A.M. – 5:30 P.M. Friday

Drive Thru Hours: 8:30 A.M. – 4:30 P.M. Monday – Thursday

8:30 A.M. – 5:30 P.M. Friday

The McComb Branch is located at 511 Apache Drive, McComb, MS is a 'Full Service' Bank with services outlined on the attached brochure. An ATM is located at this location.

McComb Branch Hours are:

9:00 A.M. – 4:30 P.M. Monday – Thursday

9:00 A.M. – 5:30 P.M. Friday

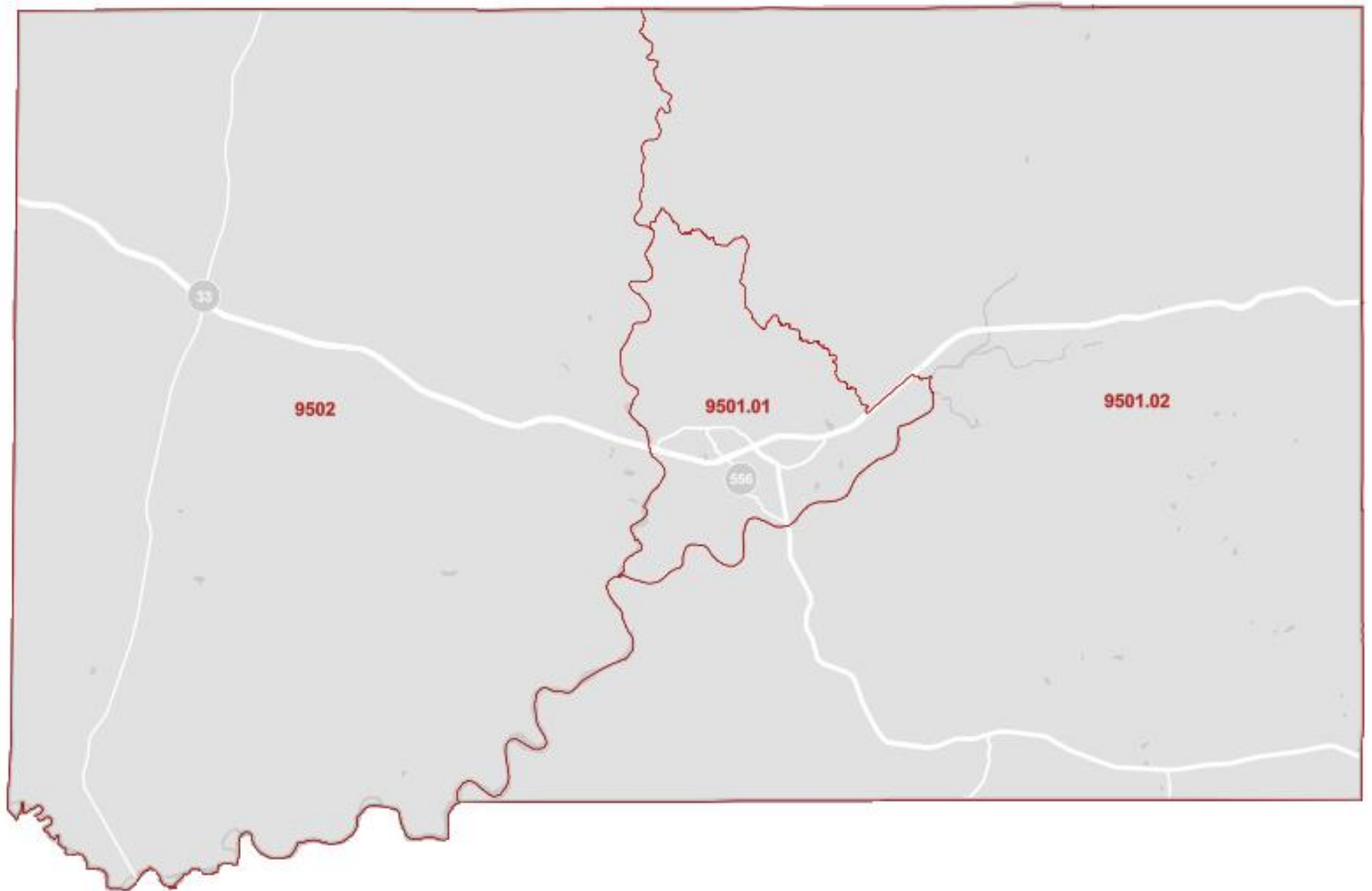
The Natchez Branch is located at 601 Franklin Street, Natchez, MS is a 'Full Service' Bank with services outlined on the attached brochure.

Natchez Branch Hours are:

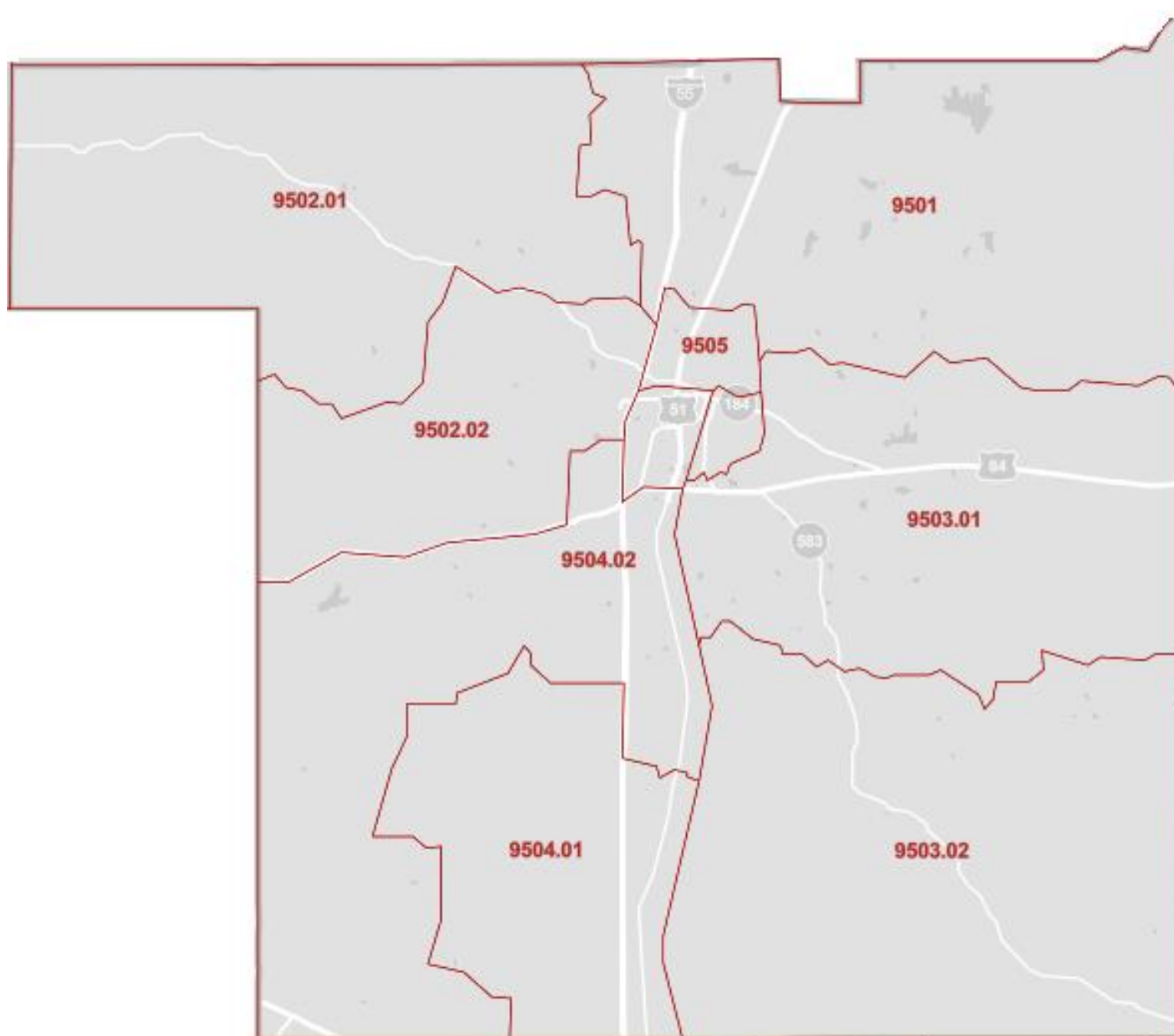
9:00 A.M. – 4:30 P.M. Monday – Thursday

9:00 A.M. – 5:30 P.M. Friday

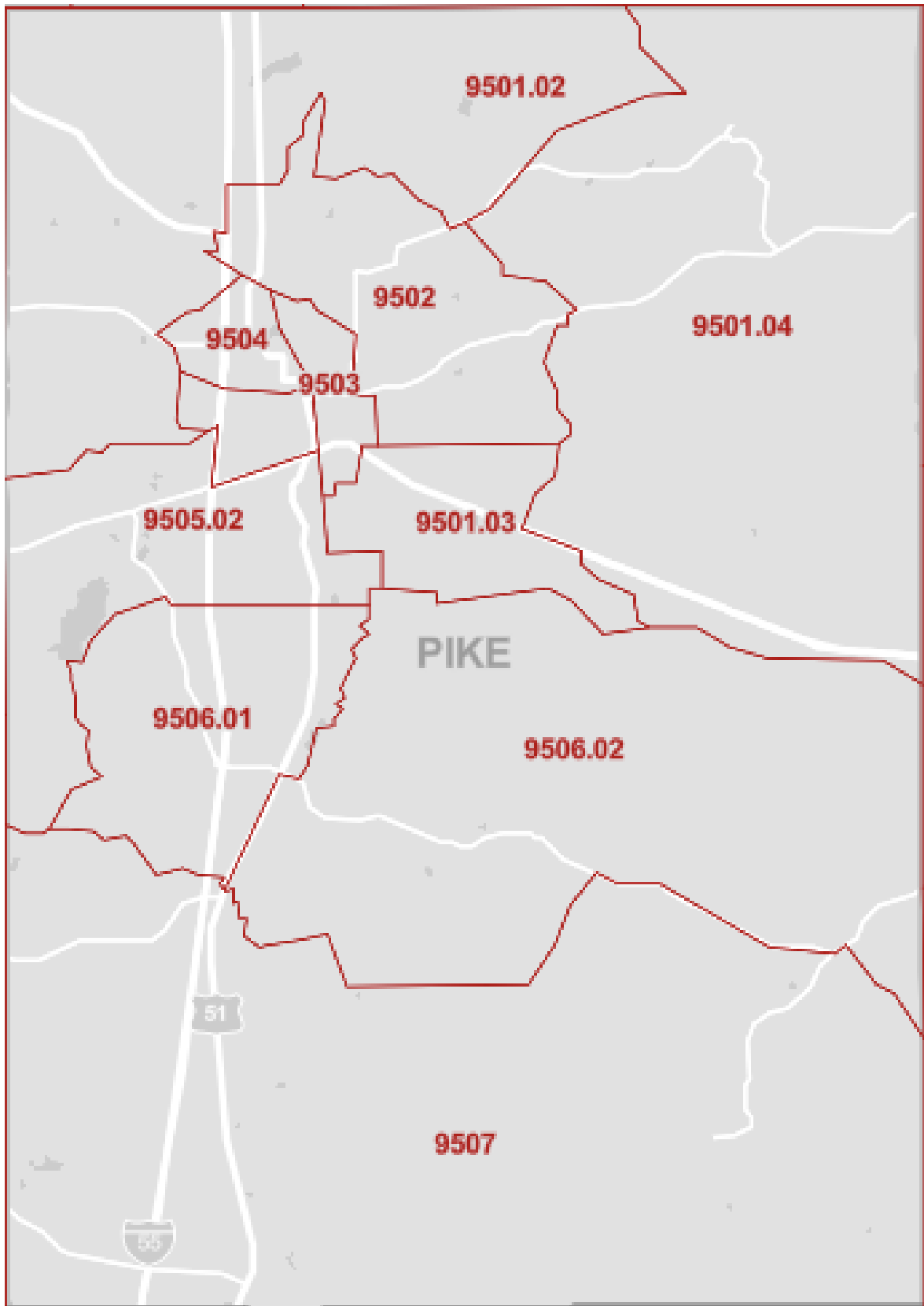
Franklin County



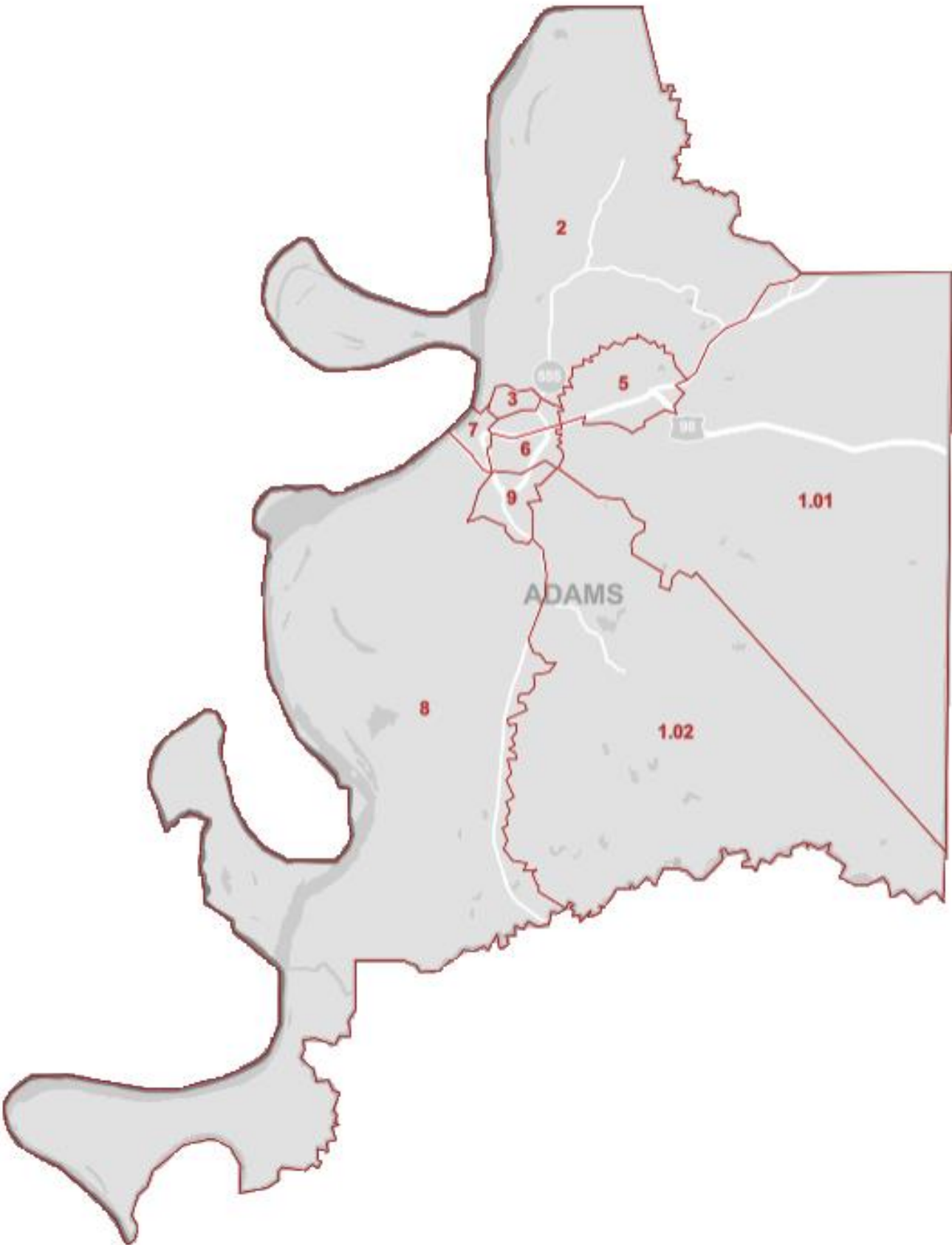
Lincoln County



Pike County



Adams County



Miscellaneous Services and Fees

NSF & Overdraft Fee (per item)	\$ 35.00
Returned Deposit Fee (per item)	\$ 3.00
Stop Payment Fee (per item)	\$ 35.00
Debit Card Replacement Fee	\$ 10.00
Foreign ATM Transaction Fee	\$ 3.00
Sweep Transaction Fee	\$ 2.00
Excess Withdrawal Fee	\$ 5.00
Statement Printout	\$ 4.00
Call out checks over the phone	\$ 2.00
Research per hour (1 hour minimum)	\$ 15.00
Copies of Research (per copy)	\$ 1.00
Wire Transfer Incoming	\$ 15.00
Wire Transfer Outgoing	\$ 20.00
Disbursement Check \$1,000 and less	\$ 7.50
Disbursement Check over \$1,000	\$ 15.00
Money Orders (up to \$500.00)	\$ 3.00
Dormant Fee (per month of inactivity)	\$ 5.00
Garnishments/Levies	\$ 45.00
Returned Statement Fee	\$ 5.00
Charged Off Account Fee	\$ 35.00
Night Depository Extra Bag	\$ 9.00
Night Depository Extra Lock	\$ 3.00
Blue Zipper Bag	\$ 4.00
Safe Deposit Boxes (must have active checking account)	
3 x 5	\$ 30.00
5 x 5	\$ 35.00
3 x 10	\$ 45.00
5 x 10	\$ 55.00
10 x 10 (Brookhaven only)	\$ 85.00
Late Fee (after 30 days late)	\$ 10.00
Drill Lock if keys are lost	\$ 50.00
Lock Replacement Fee	\$ 50.00

Safe Deposit Box contents are not insured.

Mobile and Internet Banking

Make banking as close as your phone or computer with Mobile and Internet Banking. Manage your accounts from anywhere. It's free and accessible 24/7. With Bank of Franklin's Internet Banking, you can view account information, transfer funds between Bank of Franklin accounts, reorder checks, pay your bills, and much more. To sign up, download our app on your mobile device or visit our website at www.bankoffranklin.com.

24 Hour Teller Phone Banking

Have a phone? You can get free account access 24 hours a day, 7 days a week. Check account balances, transfer funds, track transactions and more. Just call 601-384-4806 or 601-990-3045.

Debit Cards

With our MasterCard™ debit card, you have immediate access to your checking account without the hassle of writing a check. You have the ability to make purchases and withdraw money from any ATM around the world. Lost or stolen debit card? Call 1-800-383-8000 to report it, then visit our Meadville, Brookhaven or McComb locations to have a new card printed instantly!



Bank of Franklin

**Real People. Real Answers.
Real Community Banking.**

Personal Accounts

Bank Locations

Main Office

9 Main Street E - Meadville, MS
(601) 384-2305

Drive Thru

210 S Walnut Street - Meadville, MS
(601) 384-3664

Brookhaven Branch

721 Brookway Blvd – Brookhaven, MS
(601) 990-3020

McComb Branch

511 Apache Drive - McComb, MS
(601) 465-0700

Natchez Branch

601 Franklin Street - Natchez, MS
(601) 417-0404

www.bankoffranklin.com



Bank of Franklin

Personal Account Choices

Features	Regular Checking	Bonus Banking	Bonus Banking Senior	Student Checking	Personal Interest Checking	Personal Interest Checking Advantage	Savings Account	Kids Savings Account	Money Market	Christmas Club
Minimum Opening Balance	\$50.00	\$50.00	\$50.00	\$25.00	\$1,500.00	\$1,500.00	\$50.00	\$25.00	\$1,000.00	\$10.00
Service Charge	\$7.00 monthly if balance drops below \$500	\$8.00 monthly	\$3.00 monthly	\$0.00	\$8.00 monthly if balance drops below \$1,500	Minimum \$6.00 or \$14.00 monthly if balance drops below \$1,500	\$6.00 quarterly if balance drops below \$100	\$4.00 quarterly if balance drops below \$25	\$6.00 monthly if balance drops below \$1,000	\$0.00
Withdrawal Limitations	No	No	No	No	No	No	Yes, 6 per month	Yes, 6 per month	Yes, 6 per month	Yes
Age Limitation	No	No	62 and older	13 - 24	No	No	No	17 and under	No	No
Interest Bearing	No	No	No	No	Yes, on balances over \$1,500	Yes, on balances over \$1,500	Yes	Yes	Yes, on balances over \$1,000	Yes, on balances over \$100
ATM/Debit Card	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No
Online & Mobile Banking	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Bill Pay	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No
Unlimited Check Writing	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No
Add'l Benefits Available (ADD insurance, Cell Phone Protection, Identity Theft, etc.)	No	Yes	Yes	No	No	Yes	No	No	No	No

Service charges are determined by the lowest daily balance during statement cycle. Interest is computed by the daily balance method for the statement cycle.

Certificate of Deposit (CD) and Individual Retirement Account (IRA) – Minimum opening deposit of \$100.00, maturities of 182 days, 12, 18, 24, 30 or 60 months, interest can be compounded or paid monthly, options to automatically renew.

Credit Products – Bank of Franklin offers an array of consumer loan types. Whether you're buying a car or refinancing your home, one of our lenders will be glad to talk to you about your lending needs.

Miscellaneous Services and Fees

NSF & Overdraft Fee (per item)	\$ 35.00
Overdraft Accrual Charge	10.00%
Returned Deposit Fee (per item)	\$ 3.00
Stop Payment Fee (per item)	\$ 35.00
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Business Accounts

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Natchez Branch

601 Franklin Street - Natchez, MS
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www.bankoffranklin.com



Bank of Franklin

Business Account Choices

Features	Business Checking	Business Checking Advantage	Interest Checking for Non-Profit	Business Savings Account	Business Money Market
Minimum Opening Balance	\$50.00	\$50.00	\$1,500.00	\$500.00	\$1,000.00
Service Charge	\$6.00 monthly, plus \$0.12 per item, minus \$0.10 per \$100.00 balance	\$12.00 monthly, plus \$0.12 per item, minus \$0.10 per \$100.00 balance	\$6.00 if balance drops below \$1,500.00	\$5.00 monthly if balance falls below \$500.00	\$6.00 monthly if balance falls below \$2,500.00
Interest Bearing	No	No	Yes, on balances over \$1,500	Yes, on balances over \$500	Yes, on balances over \$1,000
ATM/Debit Card	Yes	Yes	Yes	No	No
Online & Mobile Banking	Yes	Yes	Yes	Yes	Yes
Bill Pay	Yes	Yes	Yes	No	No
Additional Benefits Available: Cell Phone Protection, Telemedicine, Identity Theft	No	Yes	No	No	No

Service charges are determined by the lowest daily balance during statement cycle. Interest is computed by the daily balance method for the statement cycle.

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Bank of Franklin

Loan to Deposit Ratios

Date	Net Loans	Total Deposits	Ratio
03/31/23	\$142,444,156	\$191,050,066	74.6%
06/30/23	\$147,712,524	\$186,781,808	79.1%
09/30/23	\$151,692,379	\$202,255,185	75.0%
12/31/23	\$156,617,041	\$198,610,989	78.9%
03/31/24	\$159,170,743	\$205,256,529	77.5%
06/30/24	\$159,092,121	\$207,763,996	76.6%
09/30/24	\$161,499,026	\$205,582,631	78.6%
12/31/24	\$168,000,082	\$206,173,742	81.5%
03/31/25	\$170,251,841	\$214,233,431	79.5%
06/30/25	\$177,901,251	\$219,091,182	81.2%

December 31, 2024

There have been no written comments received from the public for the current year or the prior two calendar years that specifically relates to the bank's performance in helping meet the community credit needs.

PUBLIC DISCLOSURE

May 19, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Bank of Franklin
Certificate Number: 10594

9 Main Street East
Meadville, Mississippi 39653

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

600 North Pearl Street, Suite 700
Dallas, Texas 75201

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

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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 loan-to-deposit ratio is reasonable (considering seasonal variations and taking into account lending related activities) given the institution's size, financial condition, and assessment area credit needs.
- A majority of loans and other lending related activities are in the institution's assessment area.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.
- The distribution of borrowers reflects, given the demographics of the assessment area, reasonable penetration among businesses of different sizes and individuals of different income levels (including low- and moderate- income).
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the Lending Test conclusion.

DESCRIPTION OF INSTITUTION

Bank of Franklin operates as a full-service community bank headquartered in Meadville, Mississippi. Franklin Bancshares, Inc., also located in Meadville, Mississippi, wholly owns the bank. Bank of Franklin is a certified Community Development Financial Institution. There are no subsidiaries or affiliates relative to this performance evaluation. The bank has not participated in any merger or acquisition activity since the prior evaluation. Bank of Franklin received a Satisfactory rating at its previous FDIC CRA Performance Evaluation dated May 20, 2019, based on Interagency Small Institution CRA Examination Procedures.

Bank of Franklin operates four full-service offices and one limited-service drive-through located in southwest Mississippi. The main office is in a moderate-income census tract in Franklin County. Since the previous evaluation, the bank closed a branch in Bude, Mississippi, Franklin County, on December 31, 2021. During the time of closure this branch was located in a middle-income census tract; therefore, this change did not impact any low- or moderate-income census tracts. Further, on April 1, 2025, the bank opened a new branch in Natchez, Mississippi, located in a middle-income census tract in Adams County in the Mississippi Nonmetropolitan Statistical Area (Non-MSA). However, examiners did not assess the bank's performance in Adams County given the limited time since the addition.

Bank of Franklin offers an array of loan products including home mortgage, commercial, agricultural, and consumer loans, primarily focusing on both commercial lending and home mortgage lending. The institution provides a variety of deposit services including checking, savings, and money market accounts. Alternative banking services include internet banking, mobile banking, and cash-dispensing ATMs at each office location.

As of March 31, 2025, Report of Income and Condition, the institution reported total assets of approximately \$243.8 million, total securities of \$52.1 million, and total deposits of \$214.3 million. Net loans and leases total \$168.1 million and represent 69.0 percent of total assets. As reflected in the following table, the loan portfolio consists primarily of commercial loans at 39.0 percent and home mortgage loans at 33.7 percent.

Loan Portfolio Distribution as of 03/31/2025		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	13,247	7.8
Secured by Farmland	18,692	10.9
Secured by 1-4 Family Residential Properties	57,545	33.7
Secured by Multifamily (5 or more) Residential Properties	3,104	1.8
Secured by Nonfarm Nonresidential Properties	47,870	28.0
Total Real Estate Loans	140,458	82.3
Commercial and Industrial Loans	18,855	11.0
Agricultural Production and Other Loans to Farmers	1,790	1.0
Consumer Loans	9,148	5.4
Obligations of State and Political Subdivisions in the U.S.	0	0.0
Other Loans	507	0.3
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	0	0.0
Total Loans	170,758	100.0
<i>Source: Report of Condition and Income; Due to rounding, totals may not equal 100.0 percent</i>		

Examiners did not identify any financial, legal, or other impediments that affect the institution's ability to meet assessment area credit needs.

DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more assessment areas within which examiners will evaluate its CRA performance. Bank of Franklin delineated a single continuous assessment area, consisting of Franklin, Lincoln, and Pike counties located within the Mississippi Non-MSA.

As previously mentioned, the bank closed one branch which did not result in a change in the bank's assessment area. However, since the previous evaluation, the bank expanded the assessment area to include Adams County in the Mississippi Non-MSA. Examiners did not assess the bank's performance

in this area given the limited time since the addition. Although, for this evaluation, the geographic boundaries of the assessment area remain the same since the prior evaluation, the number of census tracts increased based on 2020 U.S. Census information.

Economic and Demographic Data

Based on 2020 Census data, the assessment area is comprised of 24 census tracts with the following income designations: 1 low-, 5 moderate-, 13 middle-, 4 upper-income, and 1 census tract with no income designation. According to 2024 Federal Financial Institutions Examination Council (FFIEC) data, the middle-income census tracts in Franklin County received the distressed and underserved designation due to poverty, unemployment, and remote rural location. Also, all middle-income census tracts in Lincoln and Pike counties received the distressed designation due to poverty.

The following table contains select demographic data for the assessment area.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	24	4.2	20.8	54.2	16.7	4.2
Population by Geography	82,906	5.5	17.9	57.9	16.4	2.4
Housing Units by Geography	38,686	5.6	19.2	57.4	16.0	1.7
Owner-Occupied Units by Geography	22,165	3.0	16.2	59.6	19.8	1.3
Occupied Rental Units by Geography	8,554	11.9	27.4	46.6	11.1	3.0
Vacant Units by Geography	7,967	6.2	18.9	62.9	10.5	1.5
Businesses by Geography	8,046	4.9	19.5	55.0	18.9	1.7
Farms by Geography	304	0.0	16.5	66.8	16.5	0.3
Family Distribution by Income Level	19,415	26.5	17.3	18.6	37.6	(0.0)
Household Distribution by Income Level	30,719	31.5	13.7	17.4	37.3	0.0
Median Family Income-Mississippi Non-MSA		\$52,591	Median Housing Value Median Gross Rent Families Below Poverty Level			\$104,386 \$654 21.6%
Source: 2020 Census and 2024 D&B Data Due to rounding, totals may not equal 100.0 percent (*) The NA category consists of geographies that have not been assigned an income classification.						

Examiners utilized the 2024 FFIEC-estimated median family income (MFI) levels to analyze home mortgage loans under the borrower profile criterion. Examiners used the Mississippi Non-MSA MFI to analyze home mortgage loans originated in the Franklin, Lincoln, and Pike counties. The following table includes the income categories used.

Median Family Income Ranges – Mississippi Non-MSA				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2024 (\$64,400)	<\$32,200	\$32,200 to <\$51,520	\$51,520 to <\$77,280	≥\$77,280
Source: FFIEC				

The non-classifiable industry represents the largest portion of area businesses at 25.7 percent; followed by Other Services (except Public Administration) at 10.4 percent; and Retail Trade at 9.0 percent. About 64.8 percent of the businesses hire 4 or fewer employees.

Major employers in the area include the Franklin County Memorial Hospital (Franklin County), King’s Daughters Medical Center (Lincoln County), Wal-Mart Supercenter (Pike County), Sanderson Farms (Pike County), and McLane Distribution (Lincoln County).

The following table displays the unemployment rates for Franklin, Lincoln, and Pike counties in comparison with statewide and national levels. Unemployment rates spiked in both Franklin and Pike counties; however, both counties experienced an overall decline in unemployment rate by 2024. The following table shows the unemployment rates for each county that is part of the bank’s assessment area.

Unemployment Rates			
Area	2022	2023	2024
	%	%	%
Franklin County	5.1	4.2	4.0
Lincoln County	3.8	3.2	3.2
Pike County	4.8	3.9	4.1
State of Mississippi	3.8	3.1	3.2
National Average	3.6	3.7	4.2
Source: U.S. Bureau of Labor Statistics			

Competition

Bank of Franklin operates in a moderately competitive banking environment. Competition comes from other local, regional, and national banks as well as mortgage companies and credit unions. As of June 30, 2024, 10 banks operated 33 offices in assessment area. According to the 2024 Summary of Deposits, Bank of Franklin ranked 6th with 9.8 percent of the deposit market share in the assessment area.

Community Contacts

As part of the evaluation process, examiners contact third parties who are active in the assessment area to assist in identifying the credit and community development needs. This information helps determine local financial institutions' responsiveness to these needs and demonstrates available credit and community development opportunities.

Examiners conducted a new community contact, from a local non-profit organization that provides regional community and economic development services in the area, to help assess the current economic conditions, community credit needs, and potential opportunities for institution involvement. The organization, headquartered in the Natchez area, serves ten counties in Southwest Mississippi.

The contact stated that the primary need in the area is affordable housing. The contact indicated that there is a need for more housing as majority of the county population resides in rural areas of the county. The contact further noted that overall, institutions address the needs of the community, but there is room for improvement. Contact stated that most of the small businesses in the area are farm and agriculture related and institutions extending loans to these businesses would be considered the next greatest need of the area. Finally, the contact stated that local institutions should strive to be more cognizant of the needs of the community and offer lending products to individuals and businesses tailored to the communities and the people they serve.

Credit Needs

Considering information obtained from the community contact, bank management, as well as demographic and economic data, examiners concluded that the primary credit needs of the assessment area is home mortgage lending, specifically affordable housing.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated May 20, 2019, to the current evaluation dated May 19, 2025. To evaluate performance, examiners applied FFIEC's Interagency Small Institution CRA Examination Procedures, which include the Lending Test. The appendix lists the test's criteria.

Activities Reviewed

Interagency CRA Small Institution Examination Procedures require examiners to determine the institution's major product lines for review. As an initial matter, examiners may select from among the same loan categories used for CRA Large Institution evaluations: home mortgage, small business, small farm, and consumer loans.

The following table illustrates Bank of Franklin's loan originations in 2024, the most recent calendar year based on the bank's loan data download. By dollar volume, residential lending represents 28.7 percent, and commercial lending represents 38.2 percent. Considering the dollar volume and number of loans originated during 2024, as well as management's business strategy, examiners determined the institution's major product lines consist of small business and home mortgage loans. Although by number volume consumer loans represent 50.1 percent, by number volume, this product only represents 8.7 percent by dollar volume; therefore, examiners did not review consumer loans. Additionally, since agricultural loans represent a nominal percentage of the

portfolio by dollar and number volume, examiners did not select small farm loans for review.

Loans Originated or Purchased				
Loan Category	\$(000s)	%	#	%
Construction and Land Development	10,208	15.67	40	4.5
Secured by Farmland	4,868	7.5	39	4.4
Secured by 1-4 Family Residential Properties	18,724	28.7	154	17.5
Multi-Family (5 or more) Residential Properties	0	0.0	0	0.0
Commercial Real Estate Loans	15,571	23.9	60	6.8
Commercial and Industrial Loans	9,312	14.3	139	15.8
Agricultural Loans	798	1.2	8	0.9
Consumer Loans	5,658	8.7	441	50.1
Other Loans	0	0.0	0	0.0
Total Loans	65,139	100.0	881	100.0
<i>Source: 2024 Bank Data; Due to rounding, totals may not equal 100.0 percent</i>				

This evaluation considered the universe of 196 small business loans totaling \$19.2 million originated in calendar year 2024 for assessment area concentration and geographic distribution performances. From that universe, examiners randomly selected a sample of 51 small business loans totaling approximately \$6.2 million for borrower profile performance originated in the same timeframe. The 2024 D&B data provided the standard of comparison for the sample of small business loans.

Bank of Franklin is not a Home Mortgage Disclosure Act reporter; therefore, examiners utilized the bank's loan trial data for the review of 2024 home mortgage loans. Examiners considered the home mortgage loan universe of 154 loans totaling approximately \$18.7 million originated in calendar year 2024 for assessment area concentration and geographic distribution performances. From that universe, examiners randomly selected a sample of 51 home mortgage loans totaling \$7.6 million for borrower profile performance originated in the same timeframe. Examiners will use 2020 U.S. Census data as a comparison for the home mortgage loans.

Examiners considered the universe of small business and home mortgage loans when determining loan product weighting. Consequently, small business loans will receive more weight when arriving at overall conclusions.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Bank of Franklin demonstrated a satisfactory performance regarding the Lending Test. A reasonable loan-to-deposit ratio, majority of loans originated inside the assessment area, reasonable geographic distribution, and reasonable borrower profile records support this conclusion.

Loan-to-Deposit Ratio

The loan-to-deposit ratio is reasonable (considering seasonal variations and lending related activities) given the institution's size, financial condition, and assessment area credit needs. Examiners considered the bank's size, business strategy, and capacity relative to the assessment area credit needs when arriving at this conclusion.

For the 24 quarters since the previous evaluation, the bank recorded a 72.8 percent average, net loan-to-deposit ratio up from the 67.0 percent ratio recorded at the previous evaluation. The bank's average, net loan-to-deposit ratio varied from a low of 64.7 percent on March 31, 2021, to a high of 80.3 percent on December 31, 2024.

Examiners identified three similarly situated institutions that reflect similar asset sizes, branching structures, and lending focus to the Bank of Franklin. As shown in the following table, Bank of Franklin's average net loan-to-deposit ratio is above the range of the similarly situated banks.

Loan-to-Deposit Ratio Comparison		
Bank Name, City, State	Total Assets as of 03/31/2025 (\$000s)	Average Net LTD Ratio (%)
Bank of Franklin, Meadville, Mississippi	243,790	72.8
Bank of Wiggins, Wiggins, Mississippi	212,606	55.3
First Southern Bank, Columbia, Mississippi	278,380	65.6
The Bank of Forest, Forest, Mississippi	267,815	61.0
Source: Call Report Data (06/30/2019 through 03/31/2025)		

Assessment Area Concentration

A majority of loans and other lending related activities are in the institution's assessment area. The majority of small business and home mortgage loans originated in the assessment area support this conclusion. Examiners considered the bank's asset size and office structure relative to the assessment area's size and credit needs when arriving at this conclusion. The following table details that both major loan products, by number and dollar volume, had a majority within the bank's assessment area.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollars Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Small Business	130	66.3	66	33.7	196	10,112	52.6	9,127	47.4	19,239
Home Mortgage	113	73.4	41	26.6	154	13,805	73.7	4,919	26.3	18,724
Source: Bank Data										

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion in the assessment area. Reasonable performance in small business lending outweighed poor performance in home mortgage lending to support this conclusion. Examiners considered the loan product types reviewed relative to the available comparative data and any performance context issues when arriving at this conclusion. This factor only considered loans originated inside the assessment area.

Small Business Loans

The geographic distribution of small business loans reflects reasonable performance in the assessment area. Reasonable performances in low- and moderate-income geographies support this conclusion.

The following table shows that the bank did not make any small business loans in low-income census tracts, however, this level falls only 4.0 percentage points below demographic data, reflecting reasonable performance. In moderate-income geographies, the level of lending trailed demographic data by 1.0 percentage points, also reflecting reasonable performance.

Geographic Distribution of Small Business Loans					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	4.0	0	0.0	0	0.0
Moderate	19.5	24	18.5	1,786	17.7
Middle	54.4	74	56.9	4,935	48.8
Upper	20.4	29	22.3	2,950	29.2
Not Available	1.7	3	2.3	441	4.4
Totals	100.0	130	100.0	10,112	100.0
<i>Source: 2024 D&B Data; 2024 Bank Data, Due to rounding, totals may not equal 100.0 percent</i>					

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects poor dispersion throughout the assessment area. The poor performance in moderate-income geographies outweighed the reasonable performance in low-income geographies to support this conclusion.

The following table shows that in low-income census tracts, Bank of Franklin's lending performance exceeded demographic data by 5.0 percentage points, reflecting reasonable performance. In moderate-income census tracts, the level of lending trailed demographic data by 8.2 percentage points, reflective of poor performance. Examiners weighed performance in moderate-income geographies heavier than low-income geographies given the higher opportunity for lending in this area.

Geographic Distribution of Home Mortgage Loans					
Tract Income Level	% of Owner-Occupied Housing Units	#	%	\$(000s)	%
Low	3.0	9	8.0	1,416	10.3
Moderate	16.2	9	8.0	1,042	7.6
Middle	59.6	71	62.8	7,746	56.1
Upper	19.8	22	19.5	3,334	24.1
Not Available	1.3	2	1.8	268	1.9
Total	100.0	113	100.0	13,805	100.0
<i>Source: 2020 Census Data; 2024 Bank Data; Due to rounding, totals may not equal 100.0 percent</i>					

Borrower Profile

The distribution of borrowers reflects, given the demographics of the assessment area, reasonable penetration among businesses of different sizes and individuals of different income levels (including low- and moderate-income). Reasonable small business performance insufficiently hampered by very poor home mortgage lending performance supports this conclusion.

Small Business Loans

The distribution of borrowers reflects reasonable penetration among businesses of different sizes in the assessment area. The reasonable level of lending to businesses with gross annual revenues (GARs) of \$1.0 million or less supports this conclusion.

The following table shows that the bank originated approximately 9 out of every 10 small business loans to businesses with GARs of \$1.0 million or less, reflecting reasonable performance. Additionally, this number leads demographic data by 0.8 percentage points, further supporting a reasonable performance.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
< \$100,000	69.2	10	31.3	318	12.5
\$100,000 - \$249,999	15.1	7	21.9	626	24.6
\$250,000 - \$499,999	3.8	6	18.8	557	21.9
\$500,000 - \$1,000,000	1.8	6	18.8	532	20.9
Subtotal ≤ \$1,000,000	89.8	29	90.6	2,033	79.9
> \$1,000,000	2.2	2	6.3	508	20.0
Revenue Not Available	7.9	1	3.1	3	0.1
Total	100.0	32	100.0	2,544	100.0
<i>Source: 2024 D&B Data, 2024 Bank Data; Due to rounding, totals may not equal 100.0 percent</i>					

Home Mortgage Loans

The distribution of borrowers reflects very poor penetration among individuals of different income levels in the assessment area. Very poor performance to low-income borrowers outweighed the poor lending performance to moderate-income borrowers support this conclusion.

The following table shows that the bank did not make any home mortgage loans to low-income borrowers, of which performance trails demographic data by 26.5 percentage points, reflecting very poor performance. Additionally, lending to moderate-income borrowers trails demographic data by 14.7 percentage points, which is reflective of poor performance. Examiners weighed performance to low-income borrowers heavier than moderate-income borrowers given the higher opportunity for lending in this area.

Distribution of Home Mortgage Loans by Borrower Income Level					
Borrower Income Level	% of Families	#	%	\$(000s)	%
Low	26.5	0	0.0	0	0.0
Moderate	17.3	1	2.6	26	0.4
Middle	18.6	2	5.1	76	1.3
Upper	37.6	16	41.0	2,788	46.0
Income Not Available	0.0	20	51.3	3,167	52.3
Totals	100.0	39	100.0	6,057	100.0
<i>Source: 2020 Census Data; 2024 Bank Data; Due to rounding, totals may not equal 100.0 percent</i>					

For performance context, examiners considered that 21.6 percent of families in the assessment area are below the poverty level. Additionally, a low-income MFI of \$32,200 for the assessment area limits the opportunity for home mortgage lending to borrowers at this income level. Since the previous evaluation, the bank implemented the HomeOwners Pathway to Equity (HOPE) loan program to extend credit to low-to-moderate income borrowers within its assessment area. To qualify for this program, borrowers must have income at or less than that of the Mississippi MFI and a minimum credit score of 600. There is no bank fees charged on these loans, the amortization is 240 months, and the bank will finance up to 100.0 percent of the cost. The bank requires borrowers with a credit score less than 600 or loan to value greater than 95.0 percent to take a credit counseling class. Bank of Franklin has originated 39 HOPE loans for a total of \$2,879,659 since January 2021.

Response to Complaints

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

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. Examiners did not identify any discriminatory or other illegal credit practices.

APPENDICES

SMALL BANK PERFORMANCE CRITERIA

Lending Test

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

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

GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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