



PILGRIM BANK

COMMUNITY REINVESTMENT ACT

PUBLIC FILE

As of October 1, 2025



PILGRIM BANK

COMMUNITY REINVESTMENT ACT

WRITTEN COMMENTS AND BANK RESPONSES 2023-2025

None to report for the current year and the prior two calendar years.

PUBLIC DISCLOSURE

January 17, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Pilgrim Bank
Certificate Number: 16891

145 East Marshall Street
Pittsburg, Texas 75686

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 Lending Test is rated Satisfactory.

- 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 are in the institution's assessment areas.
- 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 individuals of different income levels (including low- and moderate-income) and businesses and small farms of different sizes.
- The bank did not receive any Community Reinvestment Act (CRA)-related complaints since the previous evaluation. Therefore, this factor did not affect the Lending Test rating.

The Community Development Test is rated Satisfactory.

The institution's community development performance demonstrates adequate responsiveness to community development needs in its assessment areas through community development loans, qualified investments, and community development services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for community development in the institution's assessment areas. Adequate records regarding community development loans, qualified investments, and community development services support this conclusion.

DESCRIPTION OF INSTITUTION

Pilgrim Bank, headquartered in Pittsburg, Texas, began operations in 1911. Pilgrim Bancorporation of Mount Pleasant, Texas, a one-bank holding company, wholly owns the bank. PBTX Holding, Inc. of Mount Pleasant, Texas, a wholly owned subsidiary of the bank, serves to hold real estate and other assets acquired through foreclosure or repossession. Pilgrim Bank received a Satisfactory rating at its previous Federal Deposit Insurance Corporation (FDIC) Performance Evaluation, dated December 16, 2019, based on Intermediate Small Bank (ISB) Procedures.

Pilgrim Bank offers a broad array of financial products and services to Texas businesses, consumers, farmers, and ranchers through 14 banking offices in North East, North Central, and the Panhandle regions of Texas. While the bank increased commercial and residential lending activity since the previous examination, Pilgrim Bank has primarily focused on agricultural lending. The Description of Institution's Operations sections depict the offices' specific locations. While the bank did not open offices since the previous evaluation, the bank closed a branch located in a moderate-income area by merging the branch with another branch located in the same moderate-income census tract of the Texas Non-Metropolitan Statistical Areas (Texas Non-MSA) Assessment Area (AA) in February 2022. The bank did not experience any merger or acquisition activity since the last evaluation. The bank has no affiliate relationships that affect this CRA evaluation.

The bank offers a variety of loan products including commercial, agricultural, home mortgage, and consumer loans. It also provides a variety of deposit services including checking, savings, money market deposit accounts, and certificates of deposit. Other alternative services include debit cards, gift cards, automated teller machines (ATMs), drive-thru banking, wire transfers, safe deposit boxes, telephone banking, internet banking, and mobile banking.

As of the September 30, 2022, Report of Income and Condition, the bank reported total assets of \$685.9 million, net loans of \$432.4 million, and total deposits of \$577.9 million. Since last CRA evaluation, total assets increased by 23.4 percent, net loans increased 26.4 percent, and total deposits increased 30.1 percent.

As seen in the following table, the mix of outstanding loans as of September 30, 2022, reflects a similar distribution to that shown for originated loans under the Scope of Evaluation section. Commercial loans (Secured by Nonfarm Nonresidential Properties and Commercial and Industrial) represent the largest loan category of outstanding loans at 31.0 percent, followed by agricultural loans (Secured by Farmland and Agricultural Production) at 28.3 percent, and residential loans (Secured by 1-4 Family and Multi-Family Residential) at 26.4 percent.

Loan Portfolio Distribution as of 9/30/2022		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	52,607	12.1
Secured by Farmland	111,761	25.6
Secured by 1-4 Family Residential Properties	108,826	25.0
Secured by Multi-Family (5 or more) Residential Properties	6,024	1.4
Secured by Nonfarm Nonresidential Properties	117,020	26.8
Total Real Estate Loans	396,238	90.9
Agricultural Production and Other Loans to Farmers	11,799	2.7
Commercial and Industrial Loans	18,367	4.2
Consumer Loans	4,266	1.0
Obligations of States and Political Subdivisions in the US	5,187	1.2
Other Loans	10	0.0
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	0	0.0
Total Loans	435,867	100.0
<i>Source: Report of Income and Condition (9/30/22).</i>		

Based on the information discussed in this section, as well as other regulatory data, the institution's financial condition, size, product offerings, prior performance, and status of any legal impediments did not affect its ability to meet the AAs' credit needs.

DESCRIPTION OF ASSESSMENT AREAS

The CRA requires each financial institution to define one or more AAs for which examiners will evaluate its CRA performance. Pilgrim Bank designated five AAs: three non-contiguous Texas Non-MSA areas, a portion of the Wichita Falls MSA, and a portion of the Fort Worth-Arlington Metropolitan Division (Fort Worth MD). Given the similar economic and demographic profiles of the Texas Non-MSA areas, examiners combined these for presentation purposes. The AAs encompass 84 census tracts reflecting the following income designations as of the 2015 American Community Survey (ACS) Census: 4 low-, 21 moderate-, 41 middle-, 17 upper-income tracts, and 1 tract with no income designation. The areas conform to CRA regulatory requirements. Refer to the individual discussions of the AAs for more details.

Description of Assessment Areas			
Assessment Area	Counties in Assessment Area	# of Census Tracts	# of Branches
Texas Non-MSA	Camp, Collingsworth, Donley, Franklin, Hopkins, Morris, Titus, Wilbarger	33	7
Wichita Falls MSA	Archer, Wichita	40	6
Fort Worth MD	Wise	11	1
<i>Source: Bank Records</i>			

SCOPE OF EVALUATION

General Information

This evaluation covers the period from December 16, 2019 to January 17, 2023, the date of the previous evaluation to this evaluation's date. To evaluate performance, examiners applied the Federal Financial Institutions Examination Council's (FFIEC) ISB CRA Examination Procedures, which include the Lending Test and the Community Development Test. The Appendix lists each tests' criteria.

As seen in the table below, the Texas Non-MSA AA comprises the majority of lending, deposits, and branches. Consequently, examiners performed full-scope procedures and weighed performance more heavily in the Texas Non-MSA AA when arriving at overall conclusions and ratings. Examiners also performed full-scope procedures on the Fort Worth MD AA since it was not reviewed with full-scope procedures at either of the previous two CRA evaluations. Examiners performed a limited-scope review on the Wichita Falls MSA AA.

Assessment Area Breakdown of Loans, Deposits, and Branches						
Assessment Area	Loans		Deposits		Branches	
	\$(000s)	%	\$(000s)	%	#	%
Texas Non-MSA	235,346	83.3	369,727	64.4	7	50.0
Wichita Falls MSA	23,105	8.2	160,865	28.0	6	42.9
Fort Worth MD	24,136	8.5	43,937	7.6	1	7.1
Total	282,587	100.0	574,529	100.0	14	100.0
<i>Source: Bank Records; FDIC Summary of Deposits (06/30/2022)</i>						

Activities Reviewed

For the Lending Test, CRA ISB procedures require examiners to determine the bank's major product lines from which to review. As an initial matter, examiners may select from among the same loan categories used for CRA Large Bank evaluations: home mortgage, small business, small farm, and consumer loans.

Considering the bank's overall lending strategy and the bank's dollar volume and number of loans originated during the evaluation period, examiners determined the bank's major product lines include commercial, home mortgage, and agricultural lending at 41.9, 23.3, and 19.0 percent of dollar volume, respectively. Examiners will not review consumer lending as it does not represent a major product line and would not materially affect any conclusions or ratings.

The following table shows the bank's 2021 lending activity by loan category, which reflects a generally consistent pattern with the bank's lending emphasis since last evaluation.

Loans Originated or Purchased				
Loan Category	\$(000s)	%	#	%
Construction & Land Development	41,703	14.8	102	7.7
Secured by Farmland	40,489	14.3	61	4.6
Secured by 1-4 Family Residential	56,534	20.0	235	17.7
Secured by Multi-Family Residential	9,444	3.3	4	0.3
Secured by Commercial Real Estate	87,700	31.0	84	6.4
Total Real Estate Loans	235,870	83.4	486	36.7
Agriculture	13,291	4.7	217	16.4
Commercial & Industrial	30,849	10.9	422	31.8
Consumer	2,447	0.9	198	14.9
Other Loans	130	0.1	3	0.2
Total Loans	282,587	100.0	1,326	100.0
<i>Source: Bank Records (1/1/21 – 12/31/21).</i>				

Examiners identified a small business universe of 474 loans totaling \$35.0 million, from the 506 commercial loan universe totaling \$118.5 million, originated in 2021. After removing nine small business loans identified by the bank as community development loans, examiners used all 465 small business loans totaling \$32.7 million to arrive at applicable conclusions under the AA

concentration performance factor. Based on the 327 small business loans totaling \$19.9 million originated within the bank's combined AA, examiners selected a random sample of 75 small business loans totaling \$5.0 million, to arrive at applicable conclusions for the borrower profile and geographic distribution performance factors. Examiners based the sample on a 90 percent confidence interval with a greater than 10 percent precision level. The 2021 D&B data provided a standard of comparison for the sampled small business loans.

In addition, examiners identified a small farm universe of 256 loans totaling \$14.4 million, from the 278 agricultural loan universe totaling \$53.8 million, originated in 2021. Examiners used all 256 small farm loans totaling \$14.4 million to arrive at applicable conclusions under the AA concentration performance factor. Based on the 177 small farm loans totaling \$11.0 million originated within the bank's combined AA, examiners selected a random sample of 51 small farm loans totaling \$3.4 million, to arrive at applicable conclusions for the borrower profile and geographic distribution performance factors. Examiners based the sample on a 90 percent confidence interval with a greater than 10 percent precision level. The 2021 D&B data provided a standard of comparison for the sampled small farm loans.

Lastly, after removing 13 home mortgage loans identified by the bank as community development loans, examiners used the remaining 226 home mortgage loans originated in 2021 totaling \$64.9 million to arrive at applicable conclusions under the AA concentration performance factor. Based on the 148 home mortgage loans totaling \$24.9 million originated within the bank's combined AA, examiners selected a random sample of 47 home mortgage loans totaling \$8.5 million, to arrive at applicable conclusions for the borrower profile and geographic distribution performance factors. Examiners compared home mortgage loans to the demographics of the institution's AAs based on the 2015 American Community Survey (ACS) data.

The following table shows that for the loan categories reviewed, considering both the dollar volume and number percentages, while home mortgage loans account for a higher percentage by dollar volume, small business loans account for the second highest dollar volume and the highest number volume, and are derived from the bank's largest product category, commercial lending. Consequently, examiners determined small business lending would receive more weight when arriving at applicable conclusions.

Loan Category Weighting				
Loan Category	Universes of Loan Categories Reviewed			
	\$(000s)	%	#	%
Small Business	32,674	29.2	465	49.1
Small Farm	14,399	12.9	256	27.0
Home Mortgage	64,931	58.0	226	23.9
Total	112,004	100.0	947	100.0
<i>Source: Bank Records (1/1/21 – 12/31/21).</i>				

The performance evaluation presents information regarding the number and dollar volume of small business, home mortgage, and small farm loans; however, for the Lending Test, examiners

emphasized performance by number of loans because the number of loans is a better indicator of the number of families, farms, and businesses served.

Based on the bank's overall loan origination activity, and lending concentrations by AA, examiners will evaluate and present conclusions for small business lending within each AA. Given differences in market economics and credit needs, examiners will only evaluate and present conclusions for home mortgage lending in the Fort Worth MD AA. Additionally, examiners will only evaluate and present conclusions for small farm lending in the Texas Non-MSA AA and Wichita Falls MSA AA. In each AA, small business loans will also receive greater weight than the other products reviewed.

The scope for the Community Development Test considered all community development activities since the previous FDIC Performance Evaluation dated December 16, 2019. The scope of this evaluation further encompassed all prior period qualified investments, those purchased prior to the evaluation, but still outstanding as of this evaluation's date.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Pilgrim Bank demonstrated a satisfactory record overall regarding the Lending Test. The reasonable geographic distribution and borrower profile primarily supports this conclusion. The bank also demonstrated a reasonable loan-to-deposit ratio and originated a majority of loans inside the AAs.

Loan-to-Deposit Ratio

The loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and AAs credit needs. The bank's LTD ratio, calculated from Report of Condition and Income data, averaged 74.0 percent over the past 12 calendar quarters since the prior evaluation, slightly higher than the average, net LTD ratio of 71.4 percent reported at last evaluation. The bank's quarterly net LTD ratios ranged from a low of 67.2 percent on December 31, 2020, to a high of 78.0 percent on March 31, 2020.

Examiners identified and listed, in the following table, three similarly-situated institutions operating in the bank's general area and reflecting similar asset sizes and lending emphases. As shown, Pilgrim Bank's ratio ranks third among all ratios of similarly-situated institutions. Specifically, the bank's ratio is 9.8 percentage points higher than the lowest ratio.

Loan-to-Deposit (LTD) Ratio Comparison			
Bank	City, State	Total Assets as of 9/30/2022 (\$000s)	Average Net LTD Ratio (%)
Pilgrim Bank	Pittsburg, Texas	685,852	74.0
First Bank	Burkburnett, Texas	620,267	93.3
State Bank of De Kalb	De Kalb, Texas	447,467	76.9
Wellington State Bank	Wellington, Texas	549,139	64.2
<i>Source: Reports of Condition and Income 12/31/2019 – 9/30/2022</i>			

Assessment Area Concentration

The bank originated a majority of loans in the institution's AAs. The majority of small business and small farm loans originated inside the AA primarily supports this conclusion. Examiners considered the bank's asset size and office structure as well as the loan categories reviewed relative to the combined size and economy of its AAs when arriving at this conclusion.

The following table shows Pilgrim Bank originated a majority of its small business, small farm, and home mortgage loans inside its AAs by number volume. Although a majority of the bank's home mortgage loans¹ were originated outside the assessment area by dollar volume, when weighing both measures (number and dollar volume) equally, combined they show that the bank originated a majority of its home mortgage loans inside its assessment area.

Lending Inside and Outside of the Assessment Area										
	Number of Loans					Dollar Amount of Loans \$(000s)				
Loan Category	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%	#	\$	%	\$	%	\$(000s)
Small Business	327	70.3	138	29.7	465	19,903	60.9	12,796	39.1	32,699
Home Mortgage	148	65.5	78	34.5	226	24,940	38.4	39,992	61.6	64,931
Small Farm	177	69.1	79	30.9	256	11,035	76.5	3,386	23.5	14,421
Subtotal	652	68.8	295	31.2	947	55,878	49.9	56,174	50.1	112,051
Source: Bank Records (1/1/21 – 12/31/21). Due to rounding, totals may not equal 100.0%										

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the AAs for the institution as a whole. Reasonable performance in the Texas Non-MSA AA coupled with reasonable performance in the Fort Worth MD AA supports this conclusion. Examiners also noted similar performance in the Wichita Falls MSA AA. Please see the AA review sections that follow for more details about each individual AA.

¹ Examiners identified 8 loans that comprise 46 percent of the total dollar volume of loans originated outside the AAs.

Borrower Profile

The distribution of borrowers reflects, given the demographics of the AAs, reasonable penetration among farms and businesses of different sizes, and individuals of different income levels for the institution as a whole. Reasonable performances in the Texas Non-MSA AA and Fort Worth MD AA primarily support this conclusion. Examiners also noted similar performance in the Wichita Falls MSA AA. Please see the AA review sections that follow for more details about each individual AA.

In response to the COVID-19 pandemic, the Coronavirus Aid Relief and Economic Security Act, signed into law on March 27, 2020, established the Paycheck Protection Program (PPP). The PPP provides loans to qualified businesses to retain employees through the COVID-19 pandemic, which includes loan forgiveness subject to certain conditions. Participation in the PPP during the evaluation period reflects the bank's willingness to meet the credit needs of businesses of different sizes, including small businesses in response to the COVID-19 pandemic. Examiners noted the bank was particularly responsive to the needs of businesses in the AAs during the COVID-19 pandemic through their participation in the PPP, which allowed businesses to keep their workforce employed during the state of emergency. Pilgrim Bank originated approximately 521 loans, totaling approximately \$23.7 million during the evaluation period.

Response to Complaints

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

COMMUNITY DEVELOPMENT TEST

The institution's community development performance demonstrates adequate responsiveness to community development needs in its AAs through community development loans, qualified investments, and community development services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for community development in the institution's AAs. An overall adequate level of community development loans, qualified investments, and community development services primarily supports this conclusion.

Community Development Loans

The bank exhibited an adequate record regarding its community development loans. Adequate performance regarding the dollar volume of community development loans along with adequate responsiveness to the AAs' needs primarily support this conclusion. Examiners evaluated the number and dollar volume of community development loans relative to the considerations noted for the Community Development Test when arriving at this conclusion.

The following table shows that since the prior evaluation, the bank granted 46 community development loans totaling approximately \$8.3 million. This level equates to 1.4 percent of average total assets of \$608.7 million and 2.2 percent of average net loans of \$378.2 million since the last

evaluation. These levels reflect a decrease from the 2.7 percent of average total assets and 4.6 percent of average net loans reported in the prior evaluation.

The following table illustrates the bank's community development loans by purpose and year. As shown, the majority of community development loans, 26.6 percent, benefitted efforts to revitalize or stabilize communities, which supports an identified community development need and illustrates the bank's adequate responsiveness to those needs.

Community Development Lending										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2019 (Partial)	0	0	0	0	0	0	0	0	0	0
2020	13	1,006	1	100	0	0	1	16	15	1,122
2021	14	1,046	4	394	1	2,710	8	2,186	27	6,336
2022	0	0	1	204	3	612	0	0	4	816
2023 (YTD)	0	0	0	0	0	0	0	0	0	0
Total	27	2,052	6	698	4	3,322	9	2,202	46	8,274
<i>Source: Bank Records (12/16/2019-1/17/2023)</i>										

The following table contains the distribution of community development loans by AA.

Community Development Lending by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Texas Non-MSA	20	1,587	6	698	3	612	8	1,234	37	4,131
Wichita Falls MSA	6	205	0	0	0	0	1	968	7	1,173
Fort Worth MD	1	260	0	0	1	2,710	0	0	2	2,970
Total	27	2,052	6	698	4	3,322	9	2,202	46	8,274
<i>Source: Bank Records (12/16/2019-1/17/2023)</i>										

Refer to the review of each AA for more details on community development lending activities specific to individual areas.

Qualified Investments

Pilgrim Bank displayed an adequate record regarding its qualified investments. Adequate levels regarding the dollar volume of qualified investments primarily supports this conclusion. Examiners evaluated the number and dollar volume of qualified investments along with their responsiveness to the needs of the AAs relative to the considerations noted for the Community Development Test when arriving at this conclusion.

The following table shows that the bank made use of 20 qualified investments totaling approximately \$20.0 million, as well as 66 grants and donations totaling \$210 thousand. This level equates to 3.3 percent of average total assets of \$608.7 million and 12.3 percent of average total

securities of \$164.4 million since the prior evaluation. While these levels reflect a decrease of 0.6 percent of average total assets and 0.3 percent of average securities recorded at prior evaluation, they illustrate an increase in investments within the designated AAs. However, the table shows the bank invested the majority of the dollar volume within the greater regional area and not within the AAs.

Qualified Investments										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	0	0	8	2,924	2	4,086	2	4,957	12	11,967
2019 (Partial)	0	0	0	0	0	0	0	0	0	0
2020	0	0	7	6,020	1	2,037	0	0	8	8,057
2021	0	0	0	0	0	0	0	0	0	0
2022	0	0	0	0	0	0	0	0	0	0
YTD 2023	0	0	0	0	0	0	0	0	0	0
Subtotal	0	0	15	8,944	3	6,123	2	4,957	20	20,024
Qualified Grants & Donations	5	3	38	194	0	0	23	13	66	210
Total	5	3	53	9,138	3	6,123	25	4,970	86	20,234
<i>Source: Bank Records (12/16/2019-1/17/2023)</i>										

The following contains the breakdown of qualified investments by AA.

Qualified Investments by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Texas Non-MSA	2	1	29	1,742	0	0	14	9	45	1,752
Wichita Falls MSA	3	2	3	1	0	0	6	3	12	6
Fort Worth MD	0	0	3	1	0	0	3	1	6	2
Statewide Activities	0	0	18	7,394	3	6,123	2	4,957	23	18,474
Total	5	3	53	9,138	3	6,123	25	4,970	86	20,234
<i>Source: Bank Records (12/16/2019-1/17/2023)</i>										

The following points provide examples of the bank's qualified investments.

- **Economic Development:** The bank invested \$4.1 million in two CRA Qualified Investment Funds that assisted in funding loans to the Small Business Administration (SBA). Thus, the fund promotes economic development by financing entities that meets the size eligibility standards of the regulation and by supporting permanent job creation and retention.
- **Community Service:** The bank invested \$18.4 million in school district bonds throughout the state of Texas, where the majority of the students are economically disadvantaged and receive free and reduced lunches. Thus, the bonds qualify or benefit organizations that

provides community services in the form of educational services, targeted to low- and moderate-income individuals. The school districts use the funds for the construction, renovation, and purchase of new buildings and school buses.

Refer to the review of each AA for more details on qualified investment activities specific to individual areas.

Community Development Services

The bank established an adequate record of providing community development services. Adequate performances regarding the types of services and the bank's responsiveness to community development needs primarily supports this conclusion. Examiners evaluated the types and availability of services relative to the considerations noted for the Community Development Test when arriving at this conclusion.

The bank showed adequate performance regarding the type of services that primarily benefit low- and moderate-income individuals. An adequate number of community development services supports this conclusion.

The following table shows that the bank provided 122 community development services, which on average equates to 2.6 community development services per office, per year since the previous evaluation, and is reflective of adequate performance. The level reflects a decrease from the 2.9 community development services per office, per year reported at the prior evaluation.

Community Development Services					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2019 (Partial)	1	10	9	4	24
2020	3	15	1	10	29
2021	2	16	3	8	29
2022	2	13	3	5	23
YTD 2023	1	8	3	5	17
Total	9	62	19	32	122
<i>Source: Bank Records (12/16/2019-1/17/2023)</i>					

The following table illustrates the distribution of community development services by AA.

Community Development Services by Assessment Area					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
Texas Non-MSA	0	44	19	26	89
Wichita Falls MSA	9	18	0	2	29
Fort Worth MD	0	0	0	4	4
Total	9	62	19	32	122
<i>Source: Bank Records (12/16/2019-1/17/2023)</i>					

The bank's availability of services to low- and moderate-income individuals further supports the adequate conclusion. The following table illustrates the bank's branching and ATM distributions during the review period. As shown, the bank does not operate any branches or ATMs in low-income census tracts. However, the four low-income census tracts found within the bank's assessments areas contain only 2.5 percent of the AAs' total population. The bank holds 35.7 percent of its branches in moderate-income census tracts, which is 12.7 percentage points higher than the population percentage. Also noted, the bank closed one branch located in a moderate-income census tract, which merged with another branch located in the same moderate-income census tract; the ATM of the closed branch remains open to serve the area. Given this context, little weight was placed on this branch closure.

Branch and ATM Distribution by Geography Income Level												
Tract Income Level	Census Tracts		Population		Branches		ATMs		Closed Branches		Closed ATMs	
	#	%	#	%	#	%	#	%	#	%	#	%
Low	4	4.8	8,167	2.5	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	21	25.0	66,222	20.3	5	35.7	6	40.0	1	100.0	0	0.0
Middle	41	48.8	170,285	52.3	9	64.3	9	60.0	0	0.0	0	0.0
Upper	17	20.2	81,122	24.9	0	0.0	0	0.0	0	0.0	0	0.0
NA	1	1.2	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Totals	84	100.0	325,796	100.0	14	100.0	15	100.0	1	100.0	0	0.0
<i>Source: 2015 ACS & Bank Data.</i>												

Besides its office locations, the bank provides other alternative delivery systems that help avail the bank's services to low- and moderate-income individuals. The previous table shows a similar distribution of ATMs as that shown for office locations. In addition to its ATMs, the bank provides other alternative banking services such as internet and mobile banking that include electronic bill pay. These alternative delivery systems help avail the bank's services to low- and moderate-income individuals across the AAs.

Further, Pilgrim Bank demonstrated their commitment to meeting the needs of borrowers affected by the COVID-19 emergency. The Bank took several steps to be responsive to the needs of customers that include participation in the PPP loan program, suspension of excess withdrawal fees for savings and money market accounts, implementation of free mobile deposit, and provision of loan payment deferrals and modifications. From 2020 to 2021, the bank made 72 deferments for

borrowers located within the combined AAs affected by the pandemic, 23 of which were located in low- or moderate-income geographies.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners reviewed the bank's compliance with the laws relating to discrimination and other illegal credit practices, including the Fair Housing Act and the Equal Credit Opportunity Act. Examiners did not identify any evidence of discriminatory or other illegal credit practices.

TEXAS NON MSA AA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN TEXAS NON-MSA AA

The Texas Non-MSA AA includes the following eight counties: Camp, Collingsworth, Donley, Franklin, Hopkins, Morris, Titus, and Wilbarger. Wilbarger County is contiguous to the bank’s Wichita Falls MSA AA while Donley and Collingsworth Counties are located in the Panhandle region of Texas, which is approximately 30 miles northwest of the Wichita Falls MSA. The remaining five counties in the Non-MSA AA are located in the North East region of Texas, which is approximately 100 miles east of the Fort Worth MD AA.

In 2019 and 2020, three census tracts in Morris County (9501.00/9502.00/9503.00) and two in Camp County (9501.01/9501.02) were distressed due to poverty, population loss, and/or unemployment. In 2021, three census tracts in Morris County (9501.00/9502.00/9503.00) were distressed due to poverty, population loss, and/or unemployment. In 2022, two tracts in Morris County (9501.00/9502.00) were distressed due to poverty, population loss, and/or unemployment. Between 2019 and 2022, two census tracts in Donley County (9502.00/9503.00) and one census tract in Collingsworth County (9503.00) received an underserved designation.

As seen in the following table, the bank operates seven full-service offices in this AA, as well as eight ATMs, one at each office location (except the main office) as well as two stand-alone ATMs in Pittsburg. In February 2022, the bank merged the 102 North Greer Boulevard branch with the 145 East Marshall location in Pittsburg, Texas; both offices were located in the same moderate-income census tract. The bank did not open or close any other locations in this AA during the review period.

Office Locations Texas Non-MSA AA				
County/City/Office	Office Type	Census Tract Number	Census Tract Income Level	Office Opened or Closed Since Last Evaluation
<i>Camp County:</i> 145 East Marshall, Pittsburg 102 North Greer Boulevard, Pittsburg	Main Office Branch	9502.00 9502.00	Moderate Moderate	No Closed (2/1/2022)
<i>Collingsworth County:</i> 1704 East 15 th Street, Wellington	Branch	9503.00	Middle	No
<i>Donley County:</i> 123 East 3 rd , Clarendon	Branch	9502.00	Middle	No
<i>Hopkins County:</i> 1404 South Broadway, Sulphur Springs	Branch	9524.01	Middle	No
<i>Titus County:</i> 2401 South Jefferson. Mt. Pleasant 112 West 16 th Street, Mt. Pleasant	Branch Branch	9508.00 9506.00	Middle Moderate	No No
<i>Wilbarger County:</i> 901 Hillcrest Drive, Vernon	Branch	9505.00	Moderate	No
<i>Source: Bank Records; 2015 ACS Census.</i>				

Economic and Demographic Data

The AA's 33 census tracts reflect the following income designations based on 2015 ACS data: 7 moderate-, 23 middle-, and 3 upper-income tracts. Of the eight counties in this AA, six counties (Camp, Collingsworth, Donley, Hopkins, Morris, and Titus) include middle-income census tracts that received distressed or underserved designations.

The area's major employers include Pilgrim's Pride Corporation, Priefert Manufacturing, Big Tex Trailers, Wal-Mart Stores Inc., as well as various independent school districts, hospitals, and community colleges. Service industries represent the largest portion of the area's businesses at 35.9 percent, followed by retail trade at 14.1 percent, and finance, insurance, and real estate at 8.9 percent. About 66.5 percent of the businesses hire four or fewer employees. The following table shows additional demographic and economic characteristics of the area.

Demographic Information of the Assessment Area Texas Non-MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	33	0.0	21.2	69.7	9.1	0.0
Population by Geography	123,817	0.0	17.2	69.4	13.4	0.0
Housing Units by Geography	54,577	0.0	16.1	69.8	14.1	0.0
Owner-Occupied Units by Geography	31,477	0.0	12.7	71.0	16.3	0.0
Occupied Rental Units by Geography	13,533	0.0	23.7	68.7	7.5	0.0
Vacant Units by Geography	9,567	0.0	16.5	67.3	16.2	0.0
Businesses by Geography	7,847	0.0	24.0	63.3	12.7	0.0
Farms by Geography	623	0.0	9.1	72.7	18.1	0.0
Family Distribution by Income Level	32,851	22.5	19.1	18.7	39.6	0.0
Household Distribution by Income Level	45,010	23.4	17.5	17.2	41.9	0.0
Median Family Income Non-MSAs – TX		\$52,198	Median Housing Value			\$90,320
			Median Gross Rent			\$639
			Families Below Poverty Level			15.6%
Source: 2015 ACS and 2021 D&B Data. Due to rounding, totals may not equal 100.0%						

As illustrated in the table below and based on the U.S. Bureau of Labor Statistics data, unemployment rates in the State of Texas and Nation more than doubled from 2019 to 2020. While all county areas of the Texas Non-MSA AA experienced significant increase in unemployment during the same period, rates for five of eight counties in the Texas Non-MSA AA were lower than both the state and national average in 2021. Although unemployment rates decreased from 2020 to 2021, the percentage of families living below the poverty level at 15.6 percent is higher than the statewide average of 14.9 percent.

Unemployment Rates Texas Non-MSA AA			
Area	2019	2020	2021
	%	%	%
Camp County	4.2	7.4	5.9
Collingsworth County	3.1	4.2	4.3
Donley County	3.4	4.4	4.1
Franklin County	3.6	5.4	4.4
Hopkins County	3.1	5.1	4.3
Morris County	5.3	11.2	10.5
Titus County	4.1	6.7	5.4
Wilbarger County	3.6	5.9	6.6
State of Texas	3.5	7.7	5.7
National Average	3.7	8.1	5.4
<i>Source: Bureau of Labor Statistics.</i>			

Competition

The area contains a moderate level of competition from other chartered banks, with 54 offices representing 20 institutions. Pilgrim Bank ranks 4th in deposit market share by capturing 10.3 percent of the area's deposits, as of June 30, 2022, based on FDIC Deposit Market Share report.

Community Contacts

As a part of the evaluation process, examiners contact third parties active in the AA to assist in identifying the credit and community development needs. This information helps determine whether local financial institutions are responsive to those needs. It also shows what credit and community development opportunities are available.

Examiners utilized a new community contact to help assess the area's current economic conditions, community credit needs, and potential opportunities for bank involvement. The contact noted that the area's economic conditions are improving and local institutions are meeting credit needs. Overall, the contact felt that financial institutions have been responsive to the credit and community development needs of the area.

The contact noted that the area experienced an influx of new businesses over the past few years, which increased the area's sales tax revenue. The contact also indicated that new home developments have decreased slightly after years of significant growth given rising interest rates. However, the contact stated that homebuilders are working on several projects to attract new residents to the area. The contact also stated that the area benefitted from strong competition and strong local banks.

Credit and Community Development Needs and Opportunities

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that small farm and small business lending present primary credit needs of the AA. The significant percentage of businesses and farms with gross annual revenues of \$1 million or less supports this conclusion. In addition, given the number of moderate-income and distressed or underserved middle-income census tracts, activities that revitalize and stabilize as well as economic development activities represent the primary community development needs.

CONCLUSIONS ON PERFORMANCE CRITERIA IN TEXAS NON-MSA AA

LENDING TEST

Within the Texas Non-MSA AA, the bank displayed a reasonable record regarding the Lending Test. An excellent record regarding geographic distribution did not sufficiently uplift a reasonable borrower profile to support this conclusion.

Geographic Distribution

The geographic distribution of lending reflects excellent dispersion throughout the Texas Non-MSA AA. The excellent performance regarding small business lending sufficiently uplifts the reasonable record regarding small farm to support this conclusion. The bank does not have any low-income tracts in the Texas Non-MSA AA; therefore, examiners only considered the bank's level of lending within moderate-income census tracts when arriving at conclusions.

Small Business Loans

The geographic distribution of small business loans in the Texas Non-MSA AA reflects excellent performance. The following table shows that in moderate-income census tracts, the bank's percentage of the number of loans exceeds the D&B level by 10.8 percentage points.

Geographic Distribution of Small Business Loans Texas Non-MSA AA					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	0.0	0	0.0	0	0.0
Moderate	24.0	16	34.8	1,360	47.4
Middle	63.3	25	54.3	1,190	41.4
Upper	12.7	5	10.9	322	11.2
Not Available	0.0	0	0.0	0	0.0
Totals	100.0	46	100.0	2,872	100.0
<i>Source: 2021 D&B Data; Bank Records. Due to rounding, totals may not equal 100.0%</i>					

Small Farm Loans

The geographic distribution of small farm loans in the Texas Non-MSA AA reflects reasonable performance. As seen in the following table, within moderate-income census tracts, the bank's percentage of the number of loans exceeds the D&B level by 0.9 percentage points.

Geographic Distribution of Small Farm Loans Texas Non-MSA AA					
Tract Income Level	% of Farms	#	%	\$(000s)	%
Low	0.0	0	0.0	0	0.0
Moderate	9.1	4	10.0	636	26.2
Middle	72.7	32	80.0	1,282	52.8
Upper	18.1	4	10.0	509	21.0
Not Available	0.0	0	0.0	0	0.0
Totals	100.0	40	100.0	2,427	100.0
<i>Source: 2021 D&B Data; Bank Records. Due to rounding, totals may not equal 100.0%</i>					

Borrower Profile

The distribution of borrowers reflects, given the demographics of the Texas Non-MSA AA, reasonable penetration among businesses and farms of different sizes. Reasonable performance regarding small business and small farm lending support this conclusion.

Small Business Loans

The distribution of borrowers, in the Texas Non-MSA AA, reflects reasonable performance among businesses of different sizes. A reasonable record to businesses with gross annual revenues of \$1 million or less primarily supports this conclusion.

The following table shows that to businesses reporting gross annual revenues of \$1 million or less, the bank's level of lending by number lands 3.4 percentage points above the D&B data, reflecting reasonable performance.

Detailed Distribution of Small Business Loans by Gross Annual Revenues Texas Non-MSA AA					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
< \$100,000	49.2	14	30.4	195	6.8
\$100,000 - \$249,999	22.6	16	34.8	968	33.7
\$250,000 - \$499,999	6.7	3	6.5	196	6.8
\$500,000 - \$1,000,000	3.2	6	13.0	386	13.4
Subtotal <= \$1,000,000	81.6	39	85.0	1,745	61.0
>\$1,000,000	4.8	5	10.9	846	29.5
Revenue Not Available	13.6	2	4.3	281	9.8
Total	100.0	46	100.0	2,872	100.0
Source: 2021 D&B Data, Bank Records. Due to rounding, totals may not equal 100.0%					

Small Farm Loans

The distribution of borrowers reflects reasonable performance among small farms of different sizes in the Texas Non-MSA AA. A reasonable record of lending to entities with gross annual revenues of \$1 million or less primarily supports this conclusion. Examiners focused on the bank's overall level to small farms with gross annual revenues of \$1 million or less when arriving at this conclusion.

The following table shows that the bank originated 85.0 percent of its small farm loans, by number, to small farms with gross annual revenues of \$1 million or less. Although this record is lower than the D&B, the bank granted more than eight of every ten loans to small farms, reflecting a reasonable level of performance.

Detailed Distribution of Small Farm Loans by Gross Annual Revenues Texas Non-MSA AA					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
< \$100,000	57.5	16	40.0	409	16.9
\$100,000 - \$249,999	29.2	9	22.5	644	26.5
\$250,000 - \$499,999	7.7	5	12.5	927	38.2
\$500,000 - \$1,000,000	2.7	4	10.0	88	3.6
Subtotal <= \$1,000,000	97.1	34	85.0	2,068	85.0
>\$1,000,000	1.4	6	15.0	359	14.8
Revenue Not Available	1.4	0	0.0	0	0.0
Total	100.0	40	100.0	2,427	100.0
Source: 2021 D&B Data, Bank Data Due to rounding, totals may not equal 100.0%					

COMMUNITY DEVELOPMENT TEST

Pilgrim Bank demonstrates adequate responsiveness to the community development needs through community development loans, qualified investments, and community development services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for community development in the AA.

Community Development Loans

The community development loan performance for the Texas Non-MSA AA proved consistent with that noted previously for the bank as a whole. As detailed in the following table, during the review period, Pilgrim Bank originated 37 community development loans totaling approximately \$4.1 million. This dollar volume equates to 49.9 percent of the bank's total level of community development loans, as compared to other activity levels associated with this area, which originates 83.3 percent of loans, generates 64.4 percent of deposits, and operates 50.0 percent of offices. This level of activity represents a significant decrease in dollar volume from the prior evaluation when it was \$10.4 million in the Texas Non-MSA AA.

Based on the overall level of community development lending, the bank exhibited adequate responsiveness to the needs of the Texas Non-MSA AA community through its community development lending. The community development loans primarily served to provide affordable housing, but were made for all community development categories, reflecting responsiveness in addressing identified community development needs. The current level reflects reasonable performance relative to the considerations noted for the Community Development Test.

The following table illustrates the community development loans by year and purpose in the Texas Non-MSA AA.

Community Development Lending Texas Non-MSA AA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2019 (Partial)	0	0	0	0	0	0	0	0	0	0
2020	7	564	1	100	0	0	1	16	9	680
2021	13	1,023	4	394	0	0	7	1,218	24	2,635
2022	0	0	1	204	3	612	0	0	4	816
YTD 2023	0	0	0	0	0	0	0	0	0	0
Total	20	1,588	6	698	3	612	8	1,234	37	4,131
Source: Bank Records (12/16/2019-1/17/2023)										

The following lists a notable example of a community development loan in the Texas Non-MSA AA:

- **Revitalize or Stabilize:** Pilgrim Bank originated eight loans totaling \$1.2 million to finance the purchase and renovation of existing buildings and businesses located in moderate-income areas. This activity revitalized and stabilized a qualifying geography by helping to

attract new or retain existing businesses or residents.

Qualified Investments

The qualified investments performance for the Texas Non-MSA AA proved inconsistent with the record noted previously for the bank as a whole. As detailed in the following table, Pilgrim Bank made use of 45 qualified investments and donations totaling approximately \$1.8 million within the Texas Non-MSA AA. This is a decrease by number since the prior evaluation where the bank granted 67 qualified investments. By dollar, it is a significant increase as the bank reported \$80,000 in the Texas Non-MSA AA at the previous performance evaluation. However, this level of qualified investment activity equates to 8.7 percent of total dollar volume of the adequate level of qualified investments bank-wide. As noted, the Texas Non-MSA AA contributed 64.4 percent of the bank's deposits.

The following table displays the bank's qualified investment activity by year and purpose.

Qualified Investments Texas Non-MSA AA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	0	0	0	0	0	0	0	0	0	0
2019 (Partial)	0	0	0	0	0	0	0	0	0	0
2020	0	0	1	1,600	0	0	0	0	1	1,600
2021	0	0	0	0	0	0	0	0	0	0
2022	0	0	0	0	0	0	0	0	0	0
YTD 2023	0	0	0	0	0	0	0	0	0	0
Qualified Grants & Donations	2	1	28	142	0	0	14	9	44	152
Total	2	1	29	1,742	0	0	14	9	45	1,752
<i>Source: Bank Records (12/16/2019-1/17/2023)</i>										

The following lists an example of a qualified donation in the Texas Non-MSA AA:

- **Community Service:** Since the previous evaluation, the bank invested \$1.6 million in a school bond to design, construct, equip, acquire and renovate school facilities, where the majority of students qualify for free or reduced-priced meals. Thus, this activity benefits an organization that provides community services, in the form of financial educational services, targeted to low- and moderate-income individuals.

Community Development Services

The community development services performance for the Texas Non-MSA AA proved consistent with that noted previously for the bank as a whole. As detailed in the following table, Pilgrim Bank provided 89 instances of financial expertise to community development related organizations in the Texas Non-MSA AA during the evaluation period. These figures reflect an increase from the 79 community development services recorded at the prior evaluation in the Texas Non-MSA AA.

The bank exhibited an adequate responsiveness to the needs of the Texas Non-MSA AA through its community development services. The number of community development services in this area equates to 73.0 percent of the total community development services. The community development services primarily provided for community services targeted to low- and moderate-income individuals, but the bank provided for community development services in three of four community development categories.

Community Development Services Texas Non-MSA AA					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2019 (Partial)	0	6	9	3	18
2020	0	12	1	8	21
2021	0	11	3	7	21
2022	0	8	3	4	15
YTD 2023	0	7	3	4	14
Total	0	44	19	26	89
<i>Source: Bank Records (12/16/2019-1/12/2023)</i>					

The following is an example of a community development service in the Texas Non-MSA AA:

- **Community Service:** Eight bank employees used their financial expertise as a board member of local independent school districts to counsel and execute general board duties expected of a community service organization. A majority of students in these schools qualify for free or reduced-priced meals under the U.S. Department of Agriculture's National School Lunch Program, thus providing benefit to low- and moderate-income students. Thus, this activity provides community services, in the form of financial educational services, targeted to low- and moderate-income individuals.

Pilgrim Bank operates three of its seven offices, each containing an ATM, in moderate-income census tracts within the Texas Non-MSA AA. The bank also closed an office in a moderate-income census tract, but the ATM of the closed branch remains open to serve this area. These offices and ATMs demonstrate the availability of banking services to low- and moderate-income individuals.

FORT WORTH MD AA – Full Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN FORT WORTH MD AA

The Fort Worth MD AA includes all of Wise County. Wise County is one of six counties that make up the Fort Worth-Arlington MD. The bank operates one full-service office in this AA in a moderate-income census tract. This AA includes one ATM located at the branch.

Economic and Demographic Data

The AA’s 11 census tracts reflect the following income designations based on 2015 ACS data: 2 moderate-, 8 middle-, and 1 upper-income tracts.

The area’s major employers include Wise Regional Health Systems, Wal-Mart Stores Inc., Devon Energy Corporation, and American Airlines Group Inc., as well as various independent school districts, hospitals, and community colleges. Service industries represent the largest portion of the area’s businesses at 36.9 percent, followed by retail trade at 13.4 percent, and finance, insurance, and real estate at 9.0 percent. About 66.4 percent of the businesses hire four or fewer employees. The following table shows additional demographic and economic characteristics of the area.

The following table shows additional demographic and economic characteristics of the area.

Demographic Information of the Assessment Area						
Fort Worth MD AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	11	0.0	18.2	72.7	9.1	0.0
Population by Geography	61,243	0.0	21.0	68.2	10.8	0.0
Housing Units by Geography	23,917	0.0	20.2	69.8	10.0	0.0
Owner-Occupied Units by Geography	16,435	0.0	16.5	72.4	11.1	0.0
Occupied Rental Units by Geography	4,633	0.0	38.8	54.5	6.7	0.0
Vacant Units by Geography	2,849	0.0	11.5	79.5	9.0	0.0
Businesses by Geography	5,730	0.0	28.5	58.5	12.9	0.0
Farms by Geography	295	0.0	13.6	72.9	13.6	0.0
Family Distribution by Income Level	15,989	23.3	18.7	21.0	37.0	0.0
Household Distribution by Income Level	21,068	21.7	19.4	19.3	39.6	0.0
Median Family Income MSA - 23104 Fort Worth-Arlington-Grapevine, TX		\$69,339	Median Housing Value			\$129,114
			Median Gross Rent			\$869
			Families Below Poverty Level			8.7%
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.						

The following table shows the income ranges based on the 2021 FFIEC estimated median family income of \$80,500 for the Fort Worth MD AA. Examiners used the applicable FFIEC Median Family Income levels to analyze home mortgage loans under the borrower profile performance factor.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Fort Worth-Arlington-Grapevine, TX Median Family Income (23104)				
2021 (\$80,500)	<\$40,250	\$40,250 to <\$64,400	\$64,400 to <\$96,600	≥\$96,600
Source: FFIEC				

As illustrated in the table below, the AA unemployment rate remained lower than both the state and national average between 2019 and 2021.

Unemployment Rates Fort Worth MD AA			
Area	2019	2020	2021
	%	%	%
Wise County	3.2	6.5	4.9
State of Texas	3.5	7.7	5.7
National Average	3.7	8.1	5.4
<i>Source: Bureau of Labor Statistics.</i>			

Competition

The area contains a moderate level of competition from other chartered banks, with 17 offices representing 9 institutions. Pilgrim Bank ranks 7th in deposit market share by capturing 2.9 percent of the area's deposits, as of June 30, 2022, based on FDIC Deposit Market Share report.

Community Contacts

Examiners utilized an existing community contact to help assess the area's current economic conditions, community credit needs, and potential opportunities for bank involvement. The contact noted that the area's economic conditions are stable and local institutions are meeting credit needs. Overall, the contact felt that financial institutions have been responsive to the credit and community development needs of the area.

The contact noted that small business and home mortgage lending continue to be in demand as the area economy continues to grow. The area has experienced increases in new residents and new businesses during the review period. The contact indicated that local banks were doing well meeting the needs of the community. The contact also stated that the area benefitted from strong and active local banks.

Credit and Community Development Needs and Opportunities

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that home mortgage and small business lending present primary credit needs of the AA. The significant percentage of businesses with gross annual revenues of \$1 million or less supports this conclusion. In addition, given the number of moderate-income tracts, activities that revitalize and stabilize as well as economic development activities represent the primary community development needs.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE FORT WORTH MD AA

LENDING TEST

Pilgrim Bank demonstrated a reasonable record in the Fort Worth MD AA regarding the Lending Test. The reasonable geographic loan distribution and borrower profile supports this conclusion.

Geographic Distribution

The geographic distribution of lending in the Fort Worth MD AA reflects reasonable performance. A reasonable record regarding small business and home mortgage lending supports this conclusion. The bank does not have any low-income tracts in the Fort Worth MD AA; therefore, examiners only considered the bank's level of lending within moderate-income census tracts when arriving at conclusions.

Small Business Loans

The geographic distribution of small business loans in the Fort Worth MD AA reflects reasonable performance. The following table shows that in moderate-income census tracts, the bank's percentage of the number of loans exceeds the D&B level by 9.0 percentage points, reflecting a reasonable record.

Geographic Distribution of Small Business Loans Fort Worth MD AA					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	0.0	0	0.0	0	0.0
Moderate	28.5	9	37.5	318	20.1
Middle	58.5	7	29.2	394	24.9
Upper	12.9	8	33.3	871	55.0
Not Available	0.0	0	0.0	0	0.0
Totals	100.0	24	100.0	1,583	100.0
<i>Source: 2021 D&B Data; Bank Records. Due to rounding, totals may not equal 100.0%</i>					

Home Mortgage Loans

The geographic distribution of home mortgage loans in the Fort Worth MD AA reflects reasonable performance. The following table shows that in moderate-income tracts, the bank trails demographic data by 6.5 percentage points, still reflecting a reasonable record.

Geographic Distribution of Home Mortgage Loans Fort Worth MD AA					
Tract Income Level	% of Owner-Occupied Housing Units	#	%	\$(000s)	%
Low	0.0	0	0.0	0	0.0
Moderate	16.5	1	10.0	24	0.8
Middle	72.4	5	50.0	1,988	68.1
Upper	11.1	4	40.0	909	31.1
Not Available	0.0	0	0.0	0	0.0
Total	100.0	10	100.0	2,921	100.0
Source: 2015 ACS, Bank Data Due to rounding, totals may not equal 100.0%					

Borrower Profile

The distribution of borrowers reflects reasonable penetration throughout the Fort Worth MD AA. Poor performance regarding home mortgage lending hampered an excellent performance regarding small business loans to support this conclusion.

Small Business Loans

The distribution of borrowers reflects excellent penetration among businesses of different in the Fort Worth MD AA. An excellent level of lending to businesses with gross annual revenues of \$1 million or less primarily supports this conclusion.

The following table shows that the bank originated 96.0 percent, which exceeds D&B data, of its small business loans, by number, to businesses with gross annual revenues of \$1 million or less. By level of lending, the bank granted more than nine of every ten loans to small businesses, reflecting excellent performance.

Detailed Distribution of Small Business Loans by Gross Annual Revenues Fort Worth MD AA					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
< \$100,000	55.6	8	33.3	110	6.9
\$100,000 - \$249,999	22.9	10	41.7]	936	59.1
\$250,000 - \$499,999	6.1	5	20.8	456	28.8
\$500,000 - \$1,000,000	2.7	0	0.0	0	0.0
Subtotal <= \$1,000,000	87.3	23	96.0	1,502	95.0
>\$1,000,000	3.9	1	4.2	81	5.1
Revenue Not Available	8.9	0	0.0	0	0.0
Total	100.0	24	100.0	1,583	100.0
Source: 2021 D&B Data, Bank Data Due to rounding, totals may not equal 100.0%					

Home Mortgage Loans

The borrower profile distribution of home mortgage loans in the Fort Worth MD AA reflects poor performance. The very poor performance to low-income borrowers hampered the reasonable performance to moderate-income borrowers to support this conclusion. Given that a higher percentage of families in the AA are categorized as low-income, more weight was placed on the bank's performance to low-income borrowers.

The following table shows that the bank did not originate any home mortgage loans to low-income borrowers trailing the percentage of families reporting such incomes by 23.3 percentage points, reflecting very poor performance. The table also shows that the bank's level of lending to moderate-income borrowers exceeded demographic data by 1.3 percentage points, reflecting reasonable performance.

Distribution of Home Mortgage Loans by Borrower Income Level Fort Worth MD AA					
Borrower Income Level	% of Families	#	%	\$(000s)	%
Low	23.3	0	0.0	0	0.0
Moderate	18.7	2	20.0	667	22.8
Middle	21.0	1	10.0	376	12.9
Upper	37.0	7	70.0	1,878	64.3
Not Available	0.0	0	0.0	0	0.0
Total	100.0	10	100.0	2,921	100.0
<i>Source: 2015 ACS; Bank Data Due to rounding, totals may not equal 100.0%</i>					

COMMUNITY DEVELOPMENT TEST

Pilgrim Bank community development performance demonstrates an overall adequate responsiveness to the community development needs through community development loans, qualified investments, and community development services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for community development in the AA.

Community Development Loans

The community development loan performance for the Fort Worth MD AA proved inconsistent with that noted previously for the bank as a whole. The dollar volume of community development of loans in this assessment area supports this conclusion. As detailed in the following table, Pilgrim Bank originated two community development loans totaling approximately \$3.0 million in the Fort Worth MD AA. This level of lending is similar to the \$3.0 million in community development lending made within the Fort Worth MD AA at the prior evaluation. The current dollar amount equates to 35.9 percent of the total community development loans, as compared to other activity levels associated with this area, which originates 8.5 percent of the loans, generates 7.6 percent of deposits, and operates 7.1 of offices.

The community development loans primarily served to promote economic development, reflecting responsiveness in addressing identified community development needs. The current level reflects excellent performance relative to the considerations noted for the Community Development Test.

The table illustrates the community development loans by year and purpose in the Fort Worth MD AA.

Community Development Lending Fort Worth MD AA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2019 (Partial)	0	0	0	0	0	0	0	0	0	0
2020	1	260	0	0	0	0	0	0	1	260
2021	0	0	0	0	1	2,710	0	0	1	2,710
2022	0	0	0	0	0	0	0	0	0	0
YTD 2023	0	0	0	0	0	0	0	0	0	0
Total	1	260	0	0	1	2,710	0	0	2	2,970
<i>Source: Bank Records (12/16/2019-1/17/2023)</i>										

The following is an example of a community development lending in the Fort Worth MD AA:

- ***Economic Development:*** In 2021, the bank modified a loan totaling \$2.7 million to a small business operating in Decatur, Texas. This activity provided working capital and promoted economic development by financing an entity that meets the size eligibility standards of the regulation and by supporting permanent job creation, retention, or improvement for dozens of low- or moderate-income persons.

Qualified Investments

The qualified investments performance for the Fort Worth MD AA proved inconsistent with the record noted previously for the bank as a whole. The dollar volume of qualified investments in this assessment area supports this conclusion. As detailed in the following table, Pilgrim Bank made use of six qualified investments and donations totaling \$2,000, compared to four qualified investments and donations totaling \$1,000 at the previous evaluation. However, this level of qualified investment activity equates to 0.01 percent of total dollar volume of the adequate level of qualified investments bank-wide. As noted, the Fort Worth MD AA contributed 7.6 percent of the bank's deposits.

Qualified Investments Fort Worth MD AA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	0	0	0	0	0	0	0	0	0	0
2017	0	0	0	0	0	0	0	0	0	0
2018	0	0	0	0	0	0	0	0	0	0
YTD 2019	0	0	0	0	0	0	0	0	0	0
Subtotal	0	0	0	0	0	0	0	0	0	0
Qualified Grants & Donations	0	0	3	1	0	0	3	1	6	2
Total	0	0	3	1	0	0	3	1	6	2
<i>Source: Bank Records (12/16/2019-1/17/2023)</i>										

The following is an example of a qualified donation made in the Fort Worth MD AA:

- **Revitalize or Stabilize:** Since the last evaluation, the bank donated \$1,000 to an organization in the AA to facilitate financial counseling and other services designed to support local small businesses. Thus, the activity revitalized and stabilized a qualifying geography by helping to attract new or retain existing businesses or residents.

Community Development Services

The community development services performance for the Fort Worth MD AA proved consistent with that noted previously for the bank as a whole. As detailed in the following table Pilgrim Bank provided four community development services. These figures reflect an increase from the zero community development services recorded at the prior evaluation in the Fort Worth MD AA.

Community Development Services Fort Worth MD AA					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2019 (Partial)	0	0	0	0	0
2020	0	0	0	1	1
2021	0	0	0	1	1
2022	0	0	0	1	1
YTD 2023	0	0	0	1	1
Total	0	0	0	4	4
<i>Source: Bank Records (12/16/2019-1/17/2023)</i>					

The following is an example of a community development services in this AA:

- **Revitalize or Stabilize:** A bank employee provided financial or technical expertise to an organization dedicated to promoting economic growth and supporting revitalization or stabilization efforts for small business owners and businesses in moderate-income

geographic areas.

Pilgrim Bank operates one of its eight offices, which includes an ATM, in a moderate-income census tract within the Fort Worth MD AA. This office and ATM location demonstrates availability of banking services to low- and moderate-income individuals.

WICHITA FALLS MSA AA – Limited-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN WICHITA FALLS MSA AA

The Wichita Falls MSA AA consists of Archer and Wichita Counties, in the North Central region of Texas. These counties represent two of the three counties that make up the Wichita Falls, Texas MSA.

As seen in the following table, the bank operates six full-service offices and one motor bank in this AA. The bank maintains one ATM at each branch location.

Office Locations Wichita Falls MSA AA				
County/City/Office	Office Type	Census Tract Number	Census Tract Income Level	Office Opened or Closed Since Last Evaluation
Archer County: US HWY 281, Windhorst	Branch	203.00	Middle	No
400 S. Walnut, Holliday	Branch	202.00	Middle	No
Wichita County: 100 N. Main Street, Electra	Branch	137.00	Middle	No
104 W. Park Ave., Iowa Park	Branch	136.00	Middle	No
4301 Jacksboro, Jacksboro	Branch	116.00	Moderate	No
2618 Old Iowa Park Ave, Old Iowa Park	Motor Bank	130.00	Moderate	No
Source: Bank Records; 2015 ACS Census.				

Economic and Demographic Data

The 40 census tracts in this AA consist of 4 low-, 12 moderate-, 10 middle-, 13 upper-income tracts, and 1 tract with no income designation.

The area’s largest employers include the Sheppard Air Force Base, Boeing, and Lear Seigler Services, Inc. The Allred Unit, a medium and maximum security prison is also a major employer. Service industries represent the largest portion of the area’s businesses at 38.7 percent, followed by retail trade at 14.1 percent, non-classified establishments at 13.1 percent, and Finance, Insurance & Real Estate at 9.9 percent. About 65.1 percent of the businesses hire four or fewer employees. The following table shows additional demographic and economic characteristics of the area.

Demographic Information of the Assessment Area Wichita Falls MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	40	10.0	30.0	25.0	32.5	2.5
Population by Geography	140,736	5.8	22.7	30.3	41.2	0.0
Housing Units by Geography	60,026	6.7	25.5	28.9	38.9	0.0
Owner-Occupied Units by Geography	32,242	5.5	21.7	30.0	42.9	0.0
Occupied Rental Units by Geography	19,049	7.6	29.8	24.3	38.3	0.0
Vacant Units by Geography	8,735	8.7	30.4	35.0	25.9	0.0
Businesses by Geography	9,677	4.2	29.9	19.3	46.5	0.1
Farms by Geography	347	3.2	17.3	32.3	47.3	0.0
Family Distribution by Income Level	33,277	21.8	16.6	20.6	41.0	0.0
Household Distribution by Income Level	51,291	24.0	16.2	18.4	41.4	0.0
Median Family Income MSA - 48660 Wichita Falls, TX MSA		\$57,690	Median Housing Value			\$97,099
			Median Gross Rent			\$763
			Families Below Poverty Level			12.5%
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.						

As illustrated in the table below, unemployment rates in both counties increased in 2020 but fell in 2021. Despite these fluctuations, both counties remained below the state and national averages.

Unemployment Rates Wichita Falls MSA AA			
Area	2019	2020	2021
	%	%	%
Archer County	2.8	5.3	4.2
Wichita County	3.2	6.6	5.3
State of Texas	3.5	7.7	5.7
National Average	3.7	8.1	5.4
Source: Bureau of Labor Statistics.			

CONCLUSIONS ON PERFORMANCE CRITERIA IN WICHITA FALLS MSA AA

LENDING TEST

The institution's lending performance in the Wichita Falls MSA AA is consistent with the institution's lending performance in the AAs within the MSA/nonmetropolitan portion of the state that were reviewed using full-scope examination procedures.

Geographic Distribution

Geographic Distribution of Small Business Loans Wichita Falls MSA AA					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	4.2	1	20.0	205	37.3
Moderate	29.9	0	0.0	0	0.0
Middle	19.3	3	60.0	127	23.1
Upper	46.5	1	20.0	218	39.6
Not Available	0.1	0	0.0	0	0.0
Totals	100.0	5	100.0	550	100.0
Source: 2021 D&B Data; Bank Records. Due to rounding, totals may not equal 100.0%					

Geographic Distribution of Small Farm Loans Wichita Falls MSA AA					
Tract Income Level	% of Farms	#	%	\$(000s)	%
Low	3.2	2	22.2	22	3.0
Moderate	17.3	0	0.0	0	0.0
Middle	32.3	4	44.4	595	80.1
Upper	47.3	3	33.3	126	17.0
Not Available	0.0	0	0.0	0	0.0
Totals	100.0	9	100.0	743	100.0
Source: 2021 D&B Data; Bank Records. Due to rounding, totals may not equal 100.0%					

Borrower Profile

Detailed Distribution of Small Business Loans by Gross Annual Revenues Wichita Falls MSA AA					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
< \$100,000	51.4	1	20.0	6	1.1
\$100,000 - \$249,999	21.1	3	60.0	523	95.1
\$250,000 - \$499,999	6.5	0	0.0	0	0.0
\$500,000 - \$1,000,000	3.5	1	20.0	21	3.8
Subtotal <= \$1,000,000	82.5	5	100.0	550	100.0
>\$1,000,000	4.5	0	0.0	0	0.0
Revenue Not Available	13.0	0	0.0	0	0.0
Total	100.0	5	100.0	550	100.0
<i>Source: 2021 D&B Data, Bank Records. Due to rounding, totals may not equal 100.0%</i>					

Detailed Distribution of Small Farm Loans by Gross Annual Revenues Wichita Falls MSA AA					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
< \$100,000	66.6	4	44.4	59	7.9
\$100,000 - \$249,999	21.3	5	55.6	684	92.1
\$250,000 - \$499,999	5.2	0	0.0	0	0.0
\$500,000 - \$1,000,000	3.2	0	0.0	0	0.0
Subtotal <= \$1,000,000	96.3	9	100.0	743	100.0
>\$1,000,000	2.6	0	0.0	0	0.0
Revenue Not Available	1.2	0	0.0	0	0.0
Total	100.0	9	100.0	743	100.0
<i>Source: 2021 D&B Data, Bank Records. Due to rounding, totals may not equal 100.0%</i>					

COMMUNITY DEVELOPMENT TEST

The institution's community development performance in the Wichita Falls MSA AA is consistent with the institution's community development performance in the AAs within the MSA/nonmetropolitan portion of the state that were reviewed using full-scope examination procedures.

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.

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. Institution CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Institution 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 institution:
 - (i) Has not been reported or collected by the institution or an affiliate for consideration in the institution'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 institution's assessment area(s) or a broader statewide or regional area including the institution'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 institution'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.



PILGRIM BANK

COMMUNITY REINVESTMENT ACT BANK DATA

BANK OFFICES

Pilgrim Bank – Pittsburg Financial Center

145 E. Marshall Street
Pittsburg, Texas 75686
Camp County

Tract Code 9502.00 (Middle Income Tract)

Telephone: (903) 856-6581

Pilgrim Bank – ATM Location – Brookshire’s Grocery Store (Parking lot)

102 N. Greer Blvd.
Pittsburg, Texas 75686
Camp County

Tract Code 9502.00 (Middle Income Tract)

Pilgrim Bank – South Financial Center w/ATM

2401 South Jefferson Avenue
Mount Pleasant, Texas 75455
Titus County

Tract Code 9508.00 (Middle Income Tract)

Telephone: (903) 575-2150

Pilgrim Bank – North Financial Center w/ATM

112 West 16th Street
Mount Pleasant, Texas 75455
Titus County

Tract Code 9506.00 (Middle Income Tract)

*-ATM no longer accepts deposits eff. January 2025-
-Motor Bank to Full-Service eff. September 2025-*

Telephone: (903) 575-2180

Pilgrim Bank – Sulphur Springs Financial Center w/ATM

1404 South Broadway Street
Sulphur Springs, Texas 75482
Hopkins County

Tract Code 9506.00 (Moderate Income Tract)

Telephone: (903) 885-9444

Pilgrim Bank – Wellington Financial Center w/ATM

1705 East 15th Street
Wellington, Texas 79095
Collingsworth County

Tract Code 9503.00 (Middle Income Tract)

Telephone: (806) 447-2591

Pilgrim Bank – Clarendon Financial Center w/ATM123 E. 3rd Street

Clarendon, Texas 79226

Donley County

Tract Code 9502.00 (Middle Income Tract)

Telephone: (806) 874-2080

Pilgrim Bank – Decatur Financial Center w/ATM

1405 W. US Hwy 380 Business

Decatur, Texas 76234

Wise County / Ft. Worth-Arlington MSA

Tract Code 1502.02 (Moderate Income Tract)

Telephone: (940) 626-4700

Pilgrim Bank – Electra Financial Center w/ATM

100 N. Main Street

Electra, Texas 76360

Wichita County / Wichita Falls MSA

Tract Code 0137.00 (Middle Income Tract)

Telephone: (940) 495-2151

Pilgrim Bank – Holliday Financial Center w/ATM

400 S. Walnut Street

Holliday, Texas 76366

Archer County / Wichita Falls MSA

Tract Code 0202.00 (Middle Income Tract)

Telephone: (940) 586-1291

Pilgrim Bank – Iowa Park Financial Center w/ATM

104 W. Park Avenue

Iowa Park, Texas 76367

Wichita County / Wichita Falls MSA

Tract Code 0136.00 (Middle Income Tract)

Telephone: (940) 592-4131

Pilgrim Bank – Jacksboro Highway Financial Center w/ATM

4301 Old Jacksboro Hwy

Wichita Falls, Texas 76302

Wichita County / Wichita Falls MSA

Tract Code 0116.00 (Moderate Income Tract)

Telephone: (940) 763-2265

Pilgrim Bank – Vernon Financial Center w/ATM

901 Hillcrest Dr.

Vernon, Texas 76384

Wilbarger County

Tract Code 9505.00 (Moderate Income Tract)

Telephone: (940) 552-7628

Pilgrim Bank – Windthorst Financial Center w/ATM

19048 US Hwy 281 (Hwy 281 & St. Mary's)

Windthorst, Texas 76398

Archer County / Wichita Falls MSA

Tract Code 0203.00 (Upper Income Tract)

Telephone: (940) 423-6277

LOAN PRODUCTION AND DEPOSIT PRODUCTION OFFICES

Pilgrim Bank – Tyler Loan Production Office - Deposit Production Office

2072 Three Lakes Pkwy, Suite 300

Tyler, Texas 75703

Smith County / Tyler MSA

Tract Code 0019.16 (Upper Income Tract)

Telephone: (430) 353-9958



PILGRIM BANK

COMMUNITY REINVESTMENT ACT OPENINGS AND CLOSINGS 2023-2025

BANK OFFICES

CLOSED JUNE 2023

Pilgrim Bank – ATM Location – Brookshire’s Grocery Store (Inside)

102 N. Greer Blvd.

Pittsburg, Texas 75686

Camp County

Tract Code 9502.00 (Middle Income Tract)

-ATM only location eff. February 2022-

CLOSED SEPTEMBER 2023

Pilgrim Bank – Iowa Park Road Motor Bank Financial Center w/ATM

2618 Iowa Park Road

Wichita Falls, Texas 76306

Wichita County / Wichita Falls MSA

Tract Code 0130.00 (Moderate Income Tract)

LOAN PRODUCTION AND DEPOSIT PRODUCTION OFFICES

OPENED OCTOBER 2024

Pilgrim Bank – Tyler Loan Production Office - Deposit Production Office

2072 Three Lakes Pkwy, Suite 300

Tyler, Texas 75703

Smith County / Tyler MSA

Tract Code 0019.16 (Upper Income Tract)



PILGRIM BANK

COMMUNITY REINVESTMENT ACT BANK SERVICES

HOURS OF OPERATION

Pilgrim Bank – Pittsburg Financial Center

Monday-Thursday

Lobby: 9:00am-3:00pm

Motor Bank: 8:00am-5:00pm

Friday

Lobby: 9:00am-5:00pm

Motor Bank: 8:00am-6:00pm

Saturday

Lobby: Closed

Motor Bank: 8:00am-12:00pm

Pilgrim Bank – ATM Location – Brookshire's Grocery Store (Parking lot)

Open 24/7

Pilgrim Bank – South Financial Center w/ATM

Monday-Thursday

Lobby: 9:00am-3:00pm

Motor Bank: 8:00am-5:00pm

Friday

Lobby: 9:00am-5:00pm

Motor Bank: 8:00am-6:00pm

Pilgrim Bank – North Financial Center w/ATM

Monday-Thursday

Lobby: 9:00am-3:00pm

Motor Bank: 8:00am-5:00pm

Friday

Lobby: 9:00am-5:00pm

Motor Bank: 8:00am-6:00pm

Saturday

Lobby: Closed

Motor Bank: 8:00am-12:00pm

Pilgrim Bank – Sulphur Springs Financial Center w/ATM

Monday-Thursday

Lobby: 9:00am-3:00pm

Motor Bank: 8:00am-5:00pm

Friday

Lobby: 9:00am-5:00pm

Motor Bank: 8:00am-6:00pm

Pilgrim Bank – Wellington Financial Center w/ATM

Monday-Friday

Lobby: 9:00am-2:00pm

Motor Bank: 8:00am-3:00pm

Pilgrim Bank – Clarendon Financial Center w/ATM

Monday-Friday

Lobby: 9:00am-2:00pm

Motor Bank: 8:00am-3:00pm

Pilgrim Bank – Decatur Financial Center w/ATM

Monday-Friday

Lobby: 9:00am-3:00pm

Motor Bank: 8:00am-5:00pm

Saturday

Lobby: Closed

Motor Bank: 9:00am-12:00pm

Pilgrim Bank – Electra Financial Center w/ATM

Monday-Friday

Lobby: 9:00am-3:30pm

Motor Bank: 9:00am-3:30pm

Pilgrim Bank – Holliday Financial Center w/ATM

Monday-Friday

Lobby: 9:00am-3:30pm

Motor Bank: 9:00am-3:30pm

Pilgrim Bank – Iowa Park Financial Center w/ATM

Monday-Thursday

Lobby: 9:00am-3:00pm

Motor Bank: 9:00am-4:00pm

Friday

Lobby: 9:00am-3:00pm

Motor Bank: 9:00am-5:00pm

Pilgrim Bank – Jacksboro Highway Financial Center w/ATM

Monday-Thursday

Lobby: 9:00am-3:00pm

Motor Bank: 8:00am-5:00pm

Friday

Lobby: 9:00am-5:00pm

Motor Bank: 8:00am-6:00pm

Saturday

Lobby: Closed

Motor Bank: 9:00am-12:00pm

Pilgrim Bank – Vernon Financial Center w/ATM

Monday-Thursday

Lobby: 9:00am-3:00pm

Motor Bank: 9:00am-4:00pm

Friday

Lobby: 9:00am-3:00pm

Motor Bank: 9:00am-5:00pm

Pilgrim Bank – Windthorst Financial Center w/ATM

Monday-Friday

Lobby: 9:00am-3:30pm

Motor Bank: 9:00am-3:30pm

Community Reinvestment Act
Products and Services

	Clarendon	Decatur	Electra	Holliday	Iowa Park	Mt. Pleasant North	Mt. Pleasant South	Pittsburg Brookshire's ATM	Pittsburg	Sulphur Springs	Vernon	Wellington	Wichita Falls	Windthorst
24-Hour Automated Teller Machine (Network for Pulse, VISA, MasterCard, MoneyMaker, etc.)	X	X	X	X	X	X	X	X		X	X	X	X	X
ACH Origination Services (Online Cash Management)	X	X	X	X	X	X	X		X	X	X	X	X	X
Bank-by-Mail	X	X	X	X	X	X	X		X	X	X	X	X	X
Business Deposit Accounts (Community Checking, Simple Business Checking, Business Interest Checking, Business Money Market Checking)	X	X	X	X	X	X	X		X	X	X	X	X	X
Business Loans	X	X	X	X	X	X	X		X	X	X	X	X	X
Business Savings Accounts	X	X	X	X	X	X	X		X	X	X	X	X	X
Check Cards (Debit Cards)	X	X	X	X	X	X	X		X	X	X	X	X	X
Check Imaging	X	X	X	X	X	X	X		X	X	X	X	X	X
Coin Counting	X				X	X	X		X	X			X	
Collection Items (e.g. Bond Coupons)	X	X	X	X	X	X	X		X	X	X	X	X	X
Consumer Deposit Accounts (Simple Checking, Advantage Checking, Presige Checking, Prestige Advantage Checking, Simple Interest Checking, Money Market Checking)	X	X	X	X	X	X	X		X	X	X	X	X	X
Consumer Loans	X	X	X	X	X	X	X		X	X	X	X	X	X
Consumer Savings Accounts	X	X	X	X	X	X	X		X	X	X	X	X	X
Free Internet Banking	X	X	X	X	X	X	X		X	X	X	X	X	X
Free Online Bill Pay	X	X	X	X	X	X	X		X	X	X	X	X	X
Free Mobile Banking	X	X	X	X	X	X	X		X	X	X	X	X	X
Free Mobile Deposit Capture	X	X	X	X	X	X	X		X	X	X	X	X	X
Free Statements by E-mail with Online Safekeeping	X	X	X	X	X	X	X		X	X	X	X	X	X
Government Direct Deposit Assistance	X	X	X	X	X	X	X		X	X	X	X	X	X
Health Savings Accounts	X	X	X	X	X	X	X		X	X	X	X	X	X
Individual Retirement Accounts	X	X	X	X	X	X	X		X	X	X	X	X	X
Letters of Credit	X	X	X	X	X	X	X		X	X	X	X	X	X
MasterCard/VISA/Discover Cash Advances	X					X	X		X	X		X		
Night Deposit	X	X	X	X	X	X	X		X	X	X	X	X	X
Notary Public Services	X	X	X	X	X	X	X		X	X	X	X	X	X
Official Checks	X	X	X	X	X	X	X		X	X	X	X	X	X
"Plugged-In" 24-Hour Telephone Banking (Telephone Response System)	X	X	X	X	X	X	X		X	X	X	X	X	X
Real Estate & Mortgage Loans	X	X	X	X	X	X	X		X	X	X	X	X	X
Safe Deposit Boxes	X	X	X	X	X		X		X	X	X	X	X	X
Series I & EE Bond Redemptions	X	X	X	X	X	X	X		X	X	X	X	X	X
Time Deposits	X	X	X	X	X	X	X		X	X	X	X	X	X
Visa Gift Card/Stored Value Card	X	X	X	X	X	X	X		X	X	X	X	X	X
Wire Transfer Services	X	X	X	X	X	X	X		X	X	X	X	X	X

Pilgrim Bank Fees	
Effective August 2025	FEE
Account research (1 hour minimum)	\$30 per hr/ .50 per copy
Account statement printout	\$5
ATM balance inquiry (at ATM's we do not own or operate)	\$3
ATM cash withdrawal (at ATM's we do not own or operate)	\$3
Dollar Limit	\$500 per day
Collections: Incoming/Outgoing (customer)	\$20
Incoming/Outgoing (non-customer)	\$25
Debit Card replacement	\$5
Expedited mail delivery of debit card	\$35
Overnight mail delivery of debit card	\$35
Early closing fee (close account within 90 days)	\$30
External transfer thru online banking	\$3
Government Reclamation/ACH	\$30
Incoming/Outgoing Fax	\$2 per page
Legal process - levies, freeze, garnishments	\$100
*Nonsufficient (NSF) item return fee (each)	\$15
*Nonsufficient (NSF) item paid fee (each)	\$15
(*Fee applies to overdrafts created by check, in-person withdrawal or other electronic means.)	
Nonsufficient fee on Bill Pay from third party vendor - in addition to bank NSF fee (each)	\$30
Notary service - non customer:	
For first signature	\$6
Each additional signature	\$1
Official checks	\$8
Photocopies	\$0.50 ea
Stop payment fee	\$30
Stop payment fee on Bill Pay from third party vendor	\$25
Telephone inquiry request - balance or cleared items	\$3
Telephone transfer request	\$5
VISA® Gift card or VISA® Money card	
Customer	\$5
(See VISA® terms & conditions for additional usage fees which may apply)	
Wire transfers: Outgoing domestic (customer)	\$25
Outgoing international (customer)	\$50
Incoming domestic (customer)	\$5
Incoming international (customer)	\$10



PILGRIM BANK

COMMUNITY REINVESTMENT ACT ASSESSMENT AREA

Pilgrim Bank's Assessment Area consists of the following counties:

- **Archer County**
- **Camp County**
- **Collingsworth County**
- **Donley County**
- **Franklin County**
- **Hopkins County**
- **Morris County**
- **Titus County**
- **Wichita County**
- **Wilbarger County**
- **Wise County**



PILGRIM BANK

COMMUNITY REINVESTMENT ACT ASSESSMENT AREA

CENSUS TRACT CODES

Archer County – 009

0201.00
0202.00
0203.00

Camp County – 063

9501.01
9501.02
9502.00

Collingsworth County – 087

9503.00

Donley County – 129

9502.00
9503.00

Franklin County – 159

9501.01
9501.02
9502.00
9503.00

Hopkins County – 223

9501.00
9502.00
9503.01
9503.02
9504.01
9504.02
9505.00
9506.00
9507.00
9508.00

Morris County – 343

9501.00
9502.00
9503.00

Titus County – 449

9501.00
9502.00
9503.01
9503.02
9504.00
9505.00
9506.00
9507.00
9508.00

Wichita County – 485

0101.00	0120.01	0134.01
0102.00	0120.02	0135.02
0104.00	0121.00	0135.03
0106.00	0122.01	0135.04
0107.00	0122.02	0136.00
0108.00	0123.01	0137.00
0109.00	0123.02	0138.00
0110.00	0124.01	9800.00
0111.00	0124.02	
0112.00	0126.00	
0113.00	0127.00	
0114.00	0128.00	
0115.00	0129.00	
0116.00	0130.00	
0117.00	0131.00	
0118.00	0132.01	
0119.01	0132.02	
0119.02	0133.00	

Wilbarger County – 487

9503.00

9505.00

9506.00

9507.00

Wise County – 497

1501.01

1501.03

1501.04

1502.02

1502.02

1503.00

1504.02

1504.03

1504.04

1504.05

1505.00

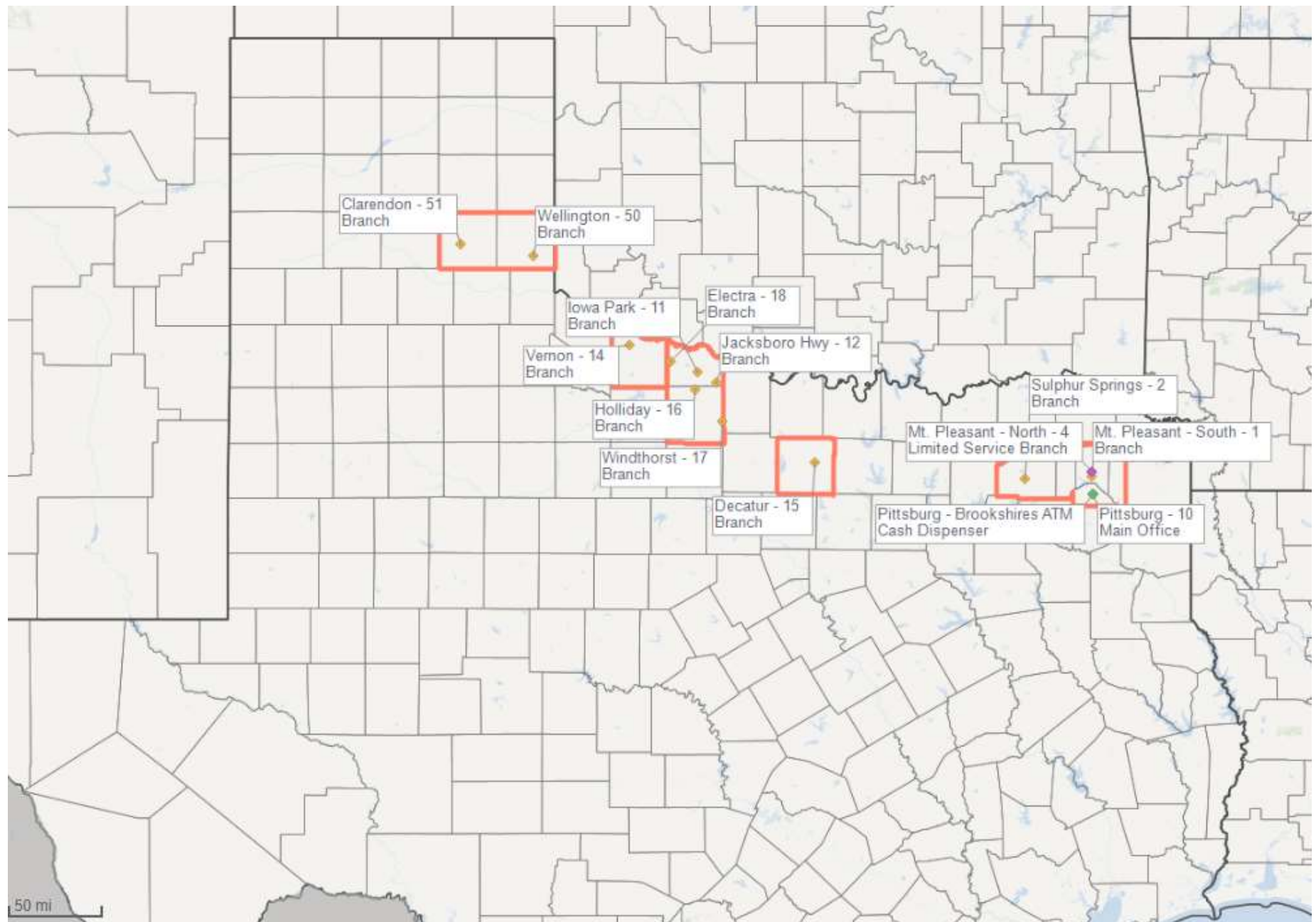
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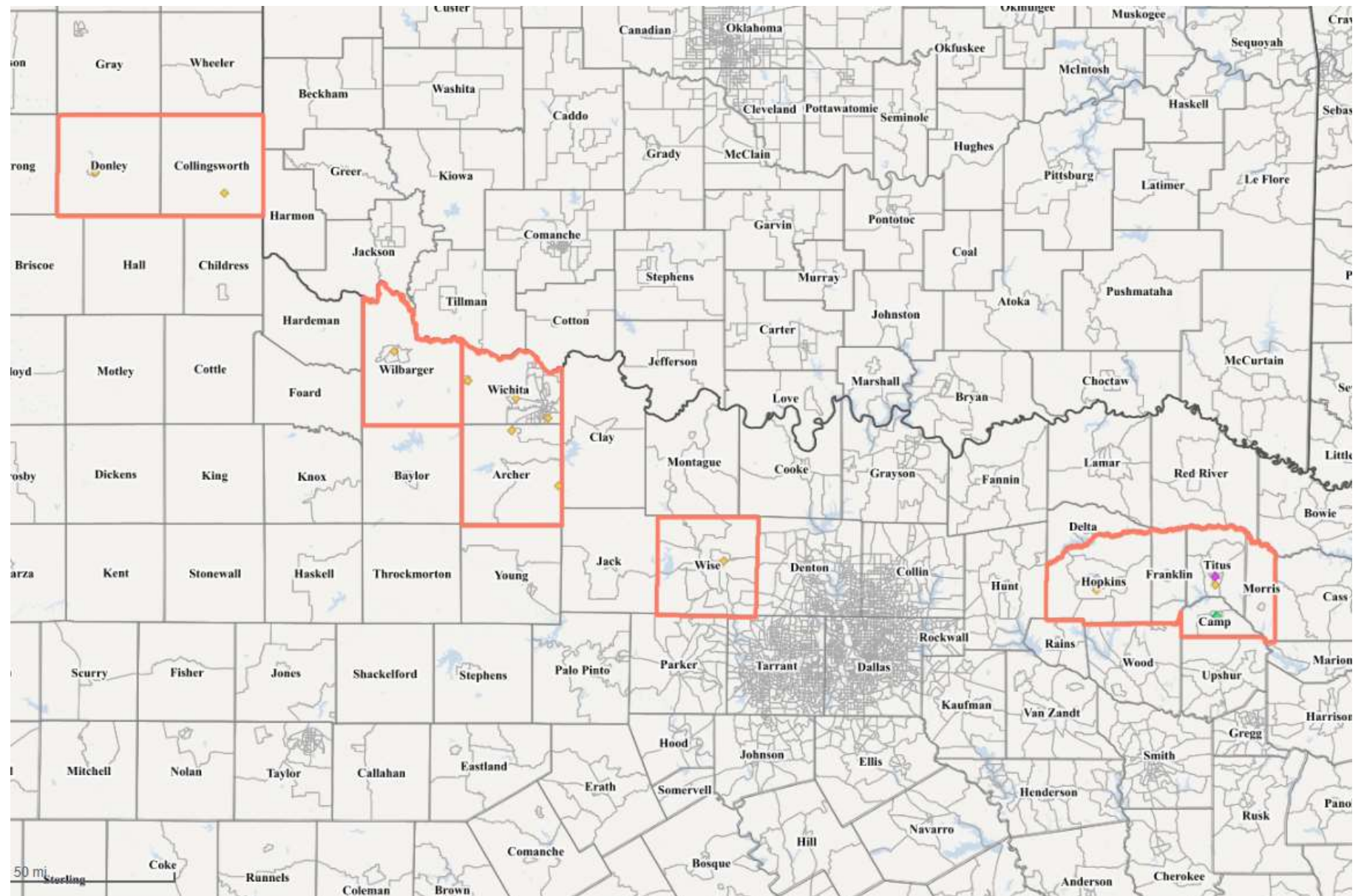
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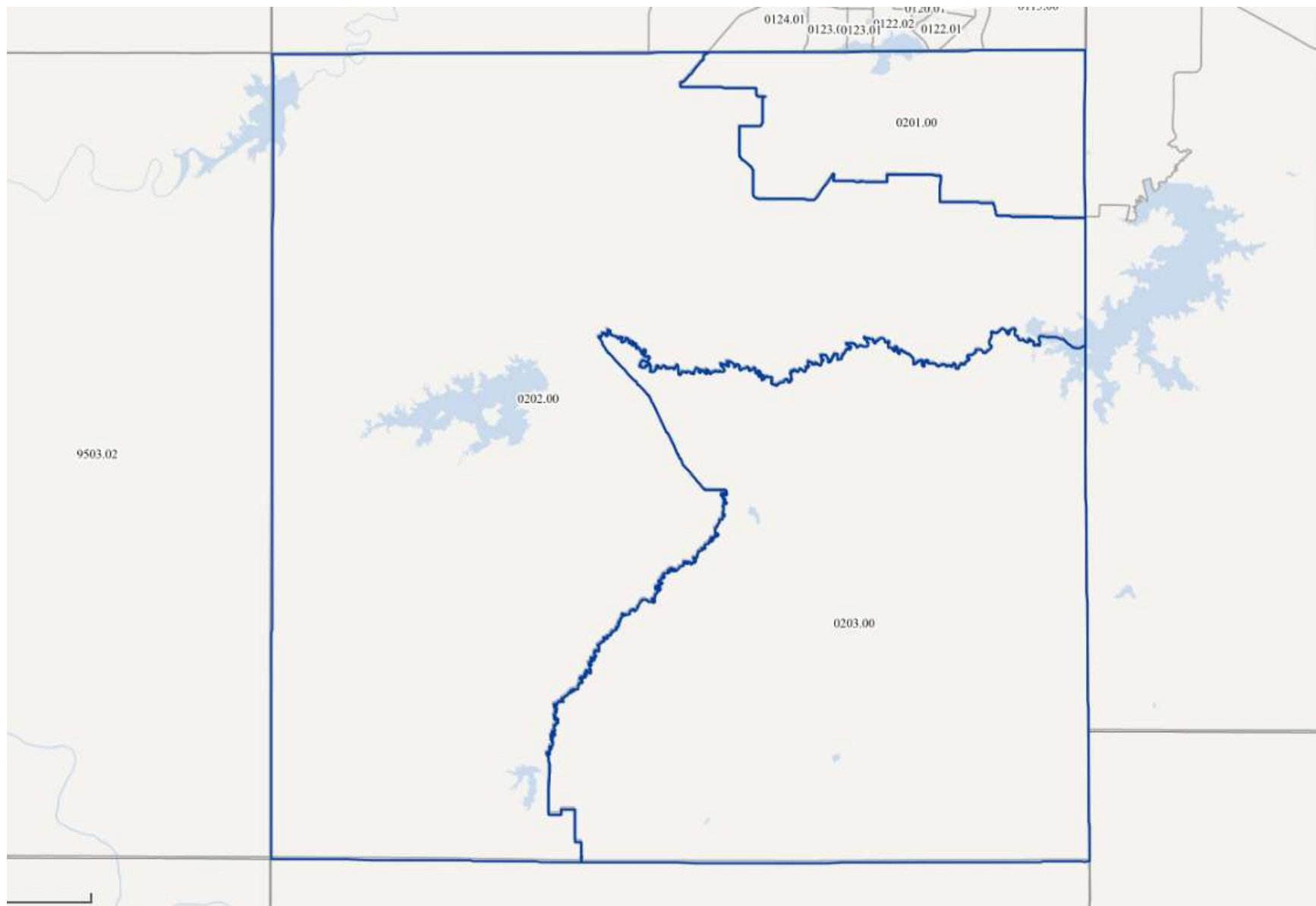
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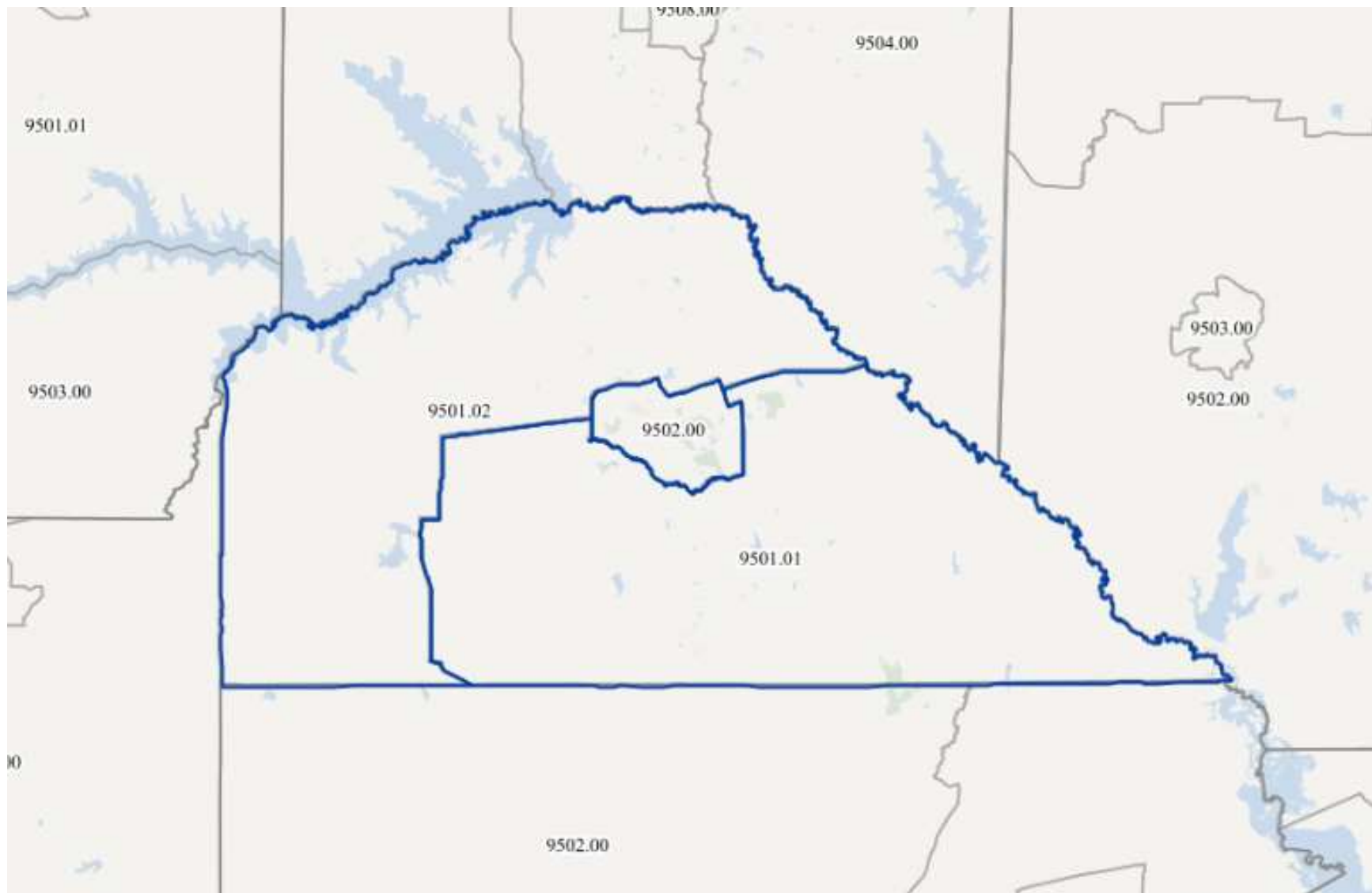




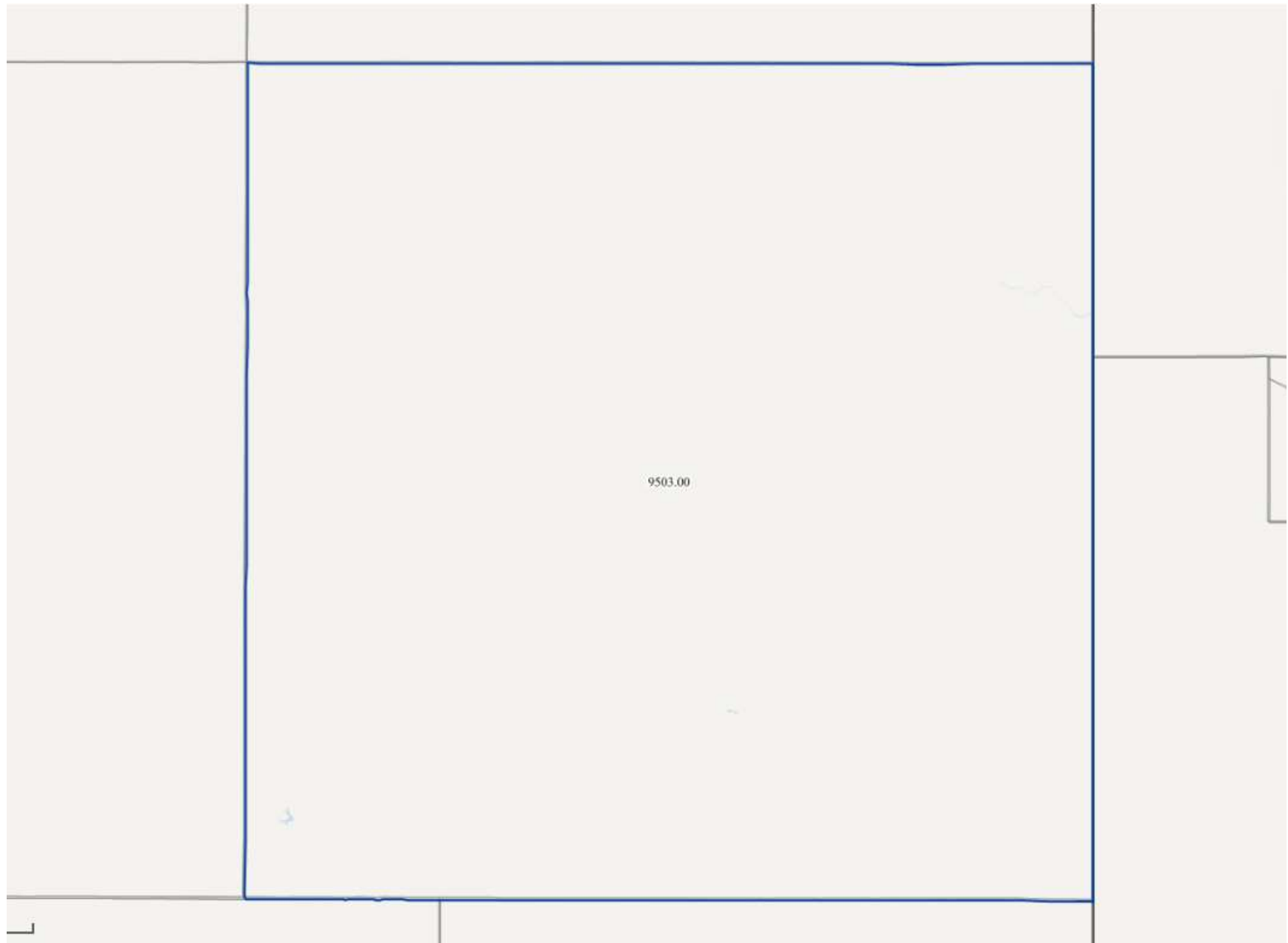
Archer County



Camp County



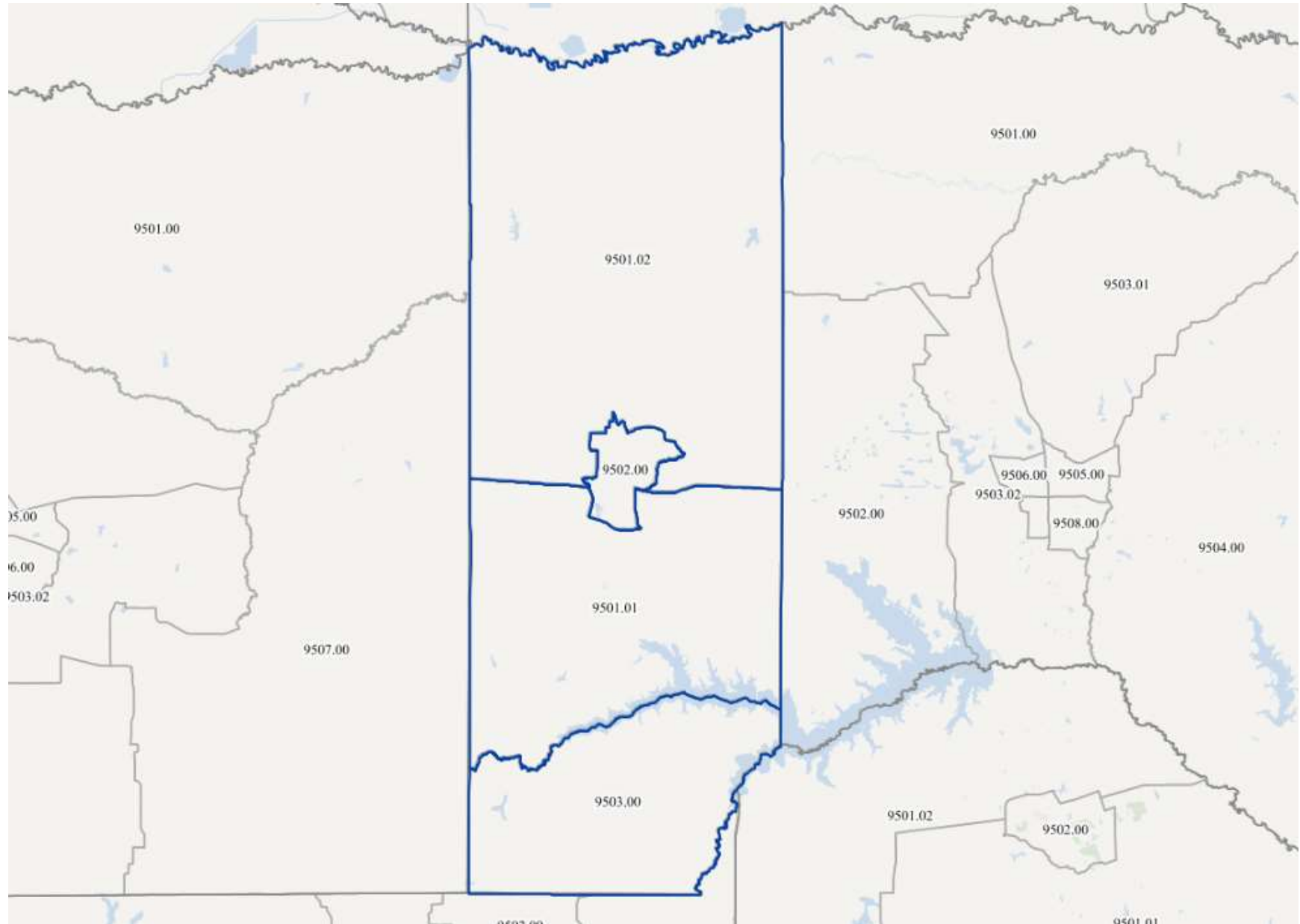
Collingsworth County



Donley County



Franklin County



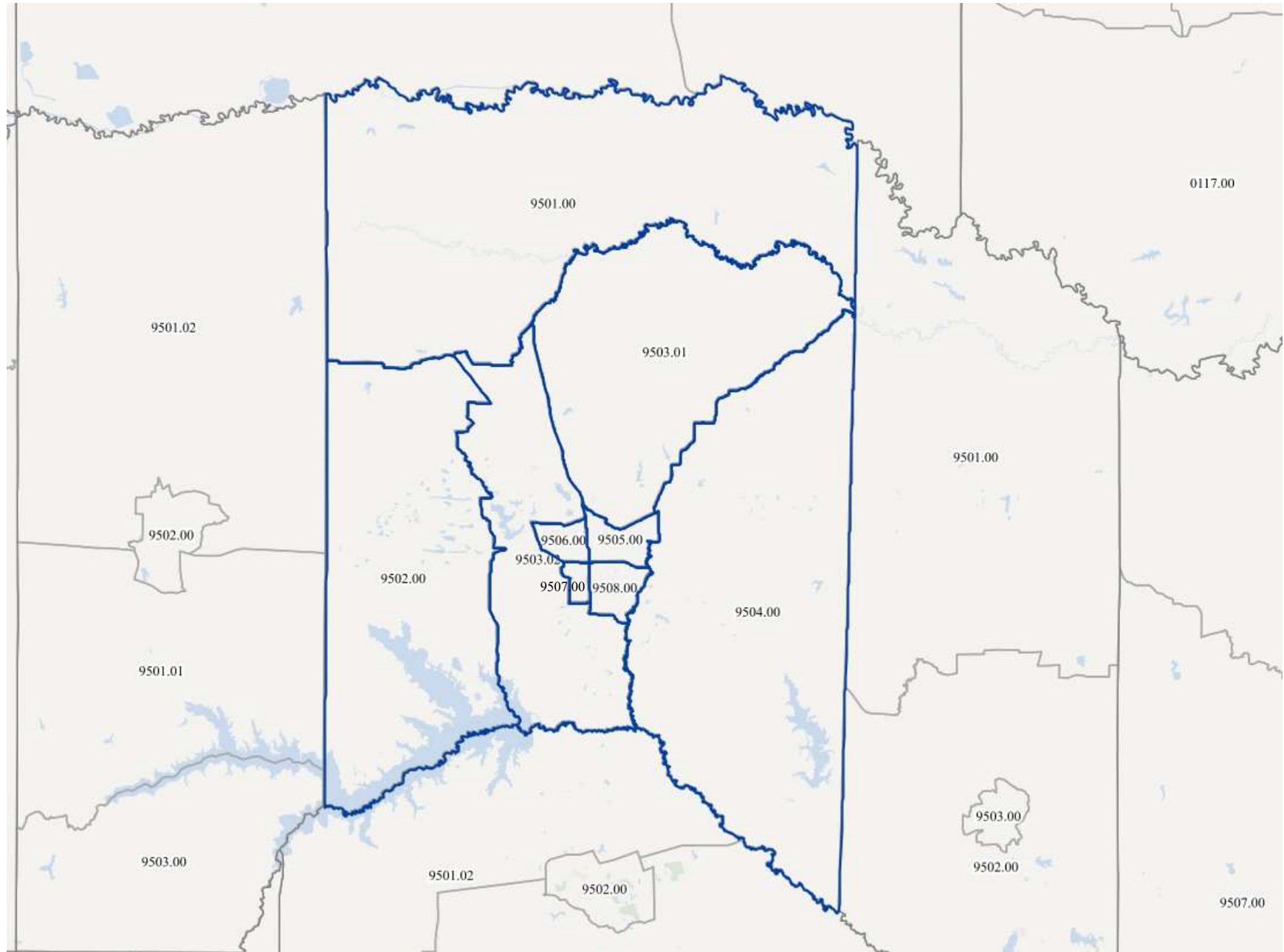
Hopkins County



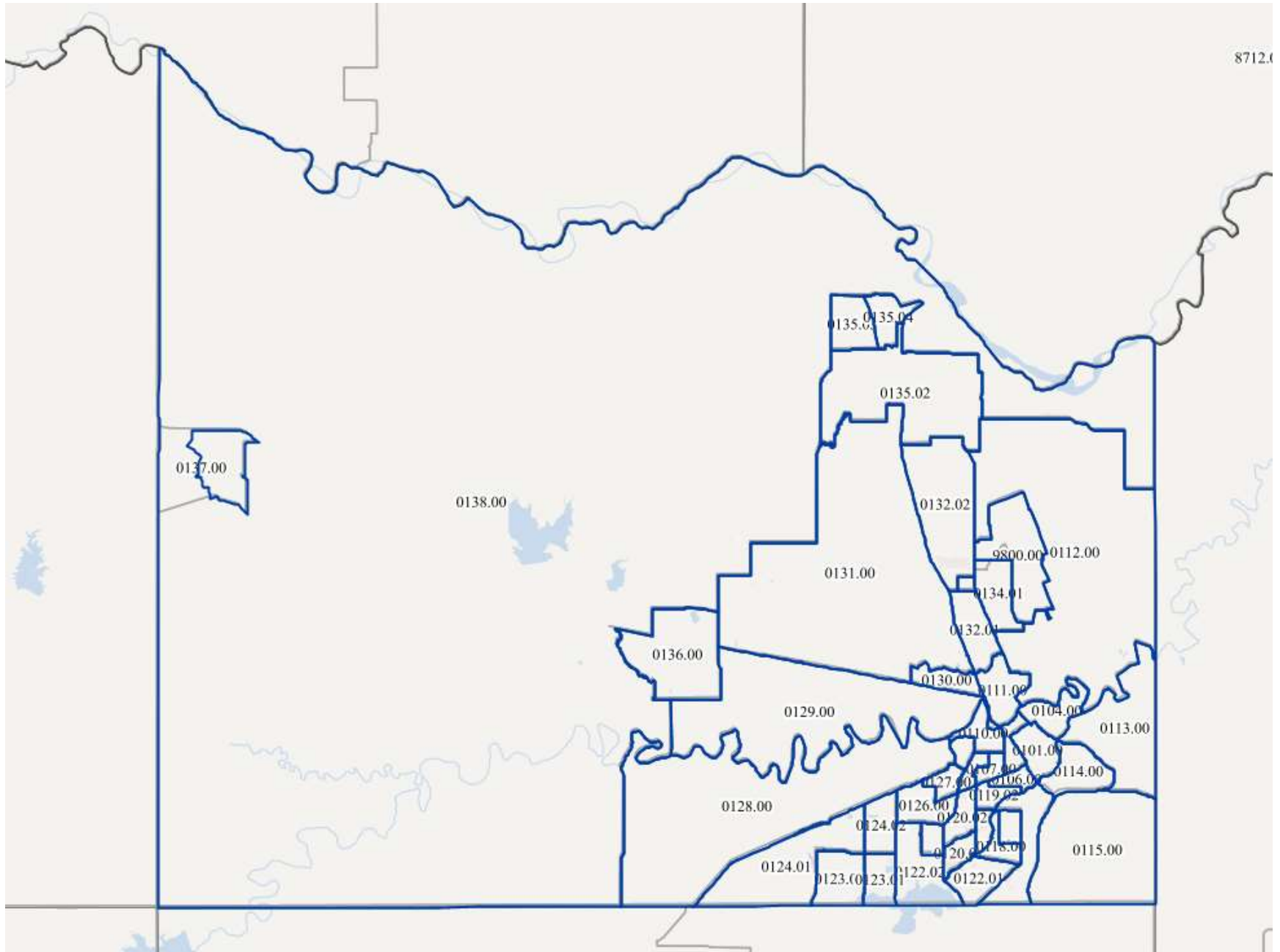
Morris County



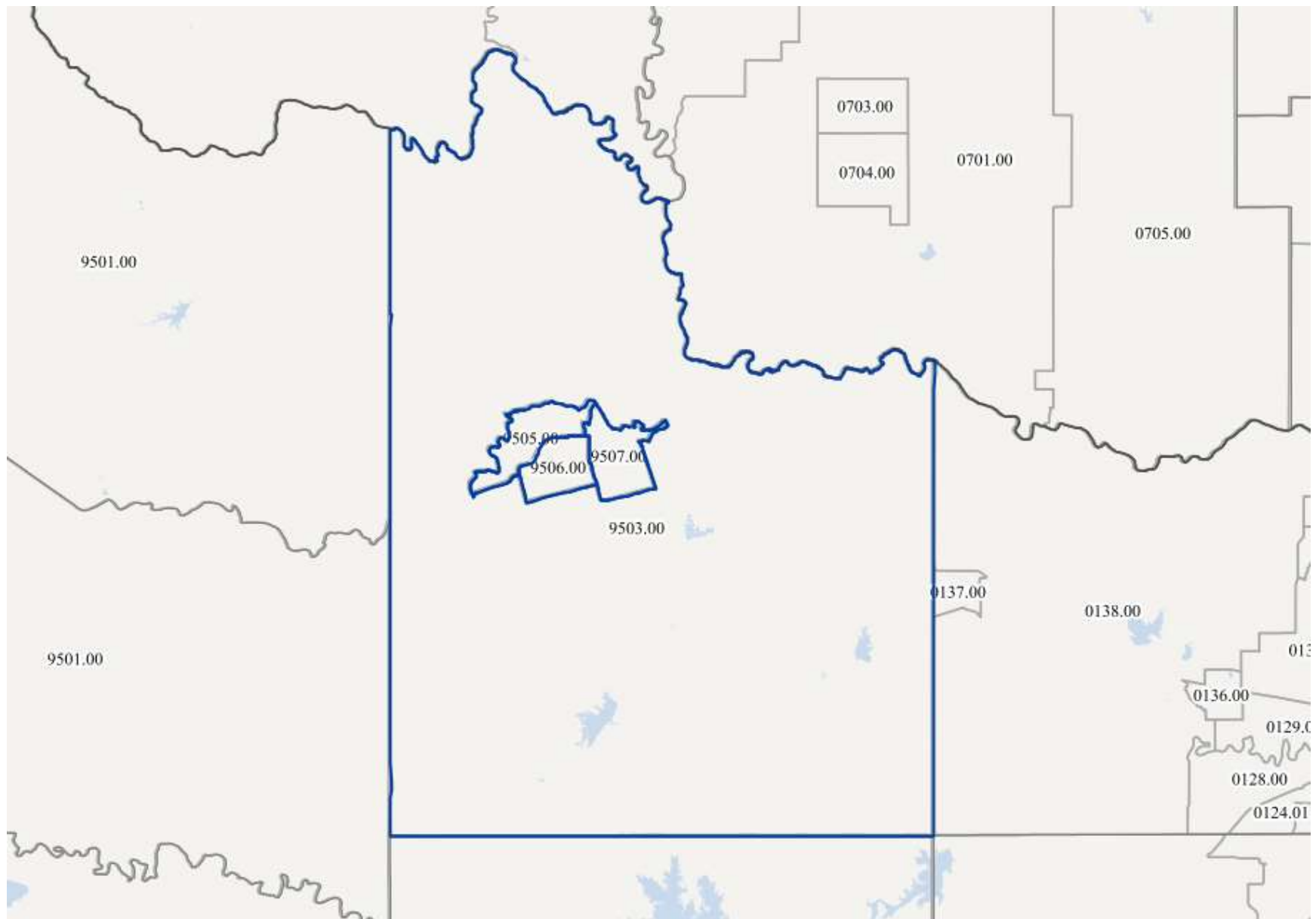
Titus County



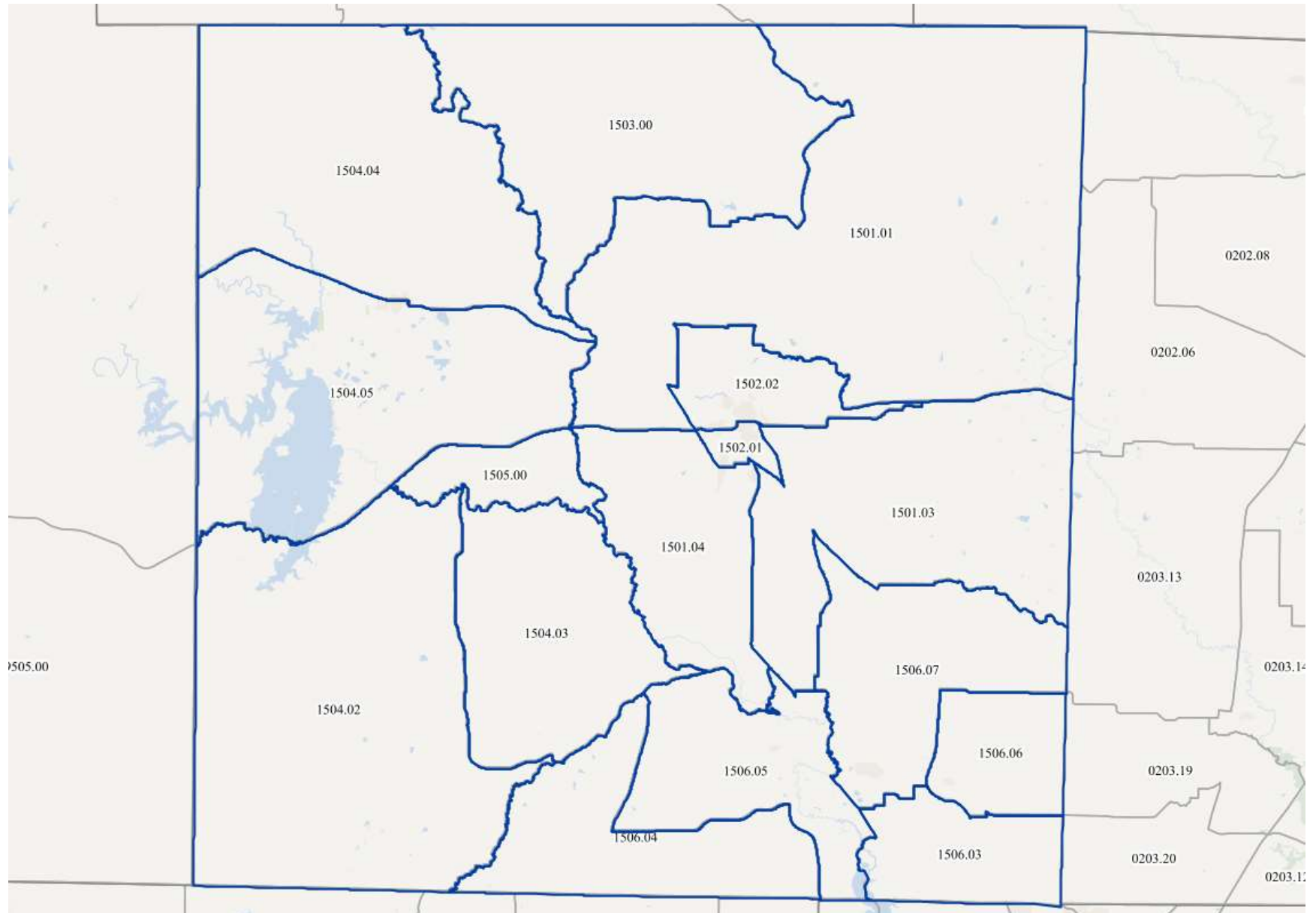
Wichita County



Wilbarger County



Wise County





PILGRIM BANK

Home Mortgage Disclosure Act Notice

The HMDA data about our residential mortgage lending are available online for review. The data show geographic distribution of loans and applications; ethnicity, race, sex, age, and income of applicants and borrowers; and information about loan approvals and denials. These data are available online at the Consumer Financial Protection Bureau's Web site (www.consumerfinance.gov/hmda). HMDA data for many other financial institutions are also available at this Web site.