



## **PUBLIC DISCLOSURE**

March 1, 2021

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

The First National Bank of Frederick  
Charter Number: 8624

314 Main Street  
Frederick, SD 57441

Office of the Comptroller of the Currency  
Sioux Falls Field Office  
4900 South Minnesota Avenue, Suite 300  
Sioux Falls, SD 57108

**NOTE:** This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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## Overall CRA Rating

**Institution's CRA Rating:** This institution is rated **Satisfactory**.

**The Lending Test is rated: Satisfactory.**

The major factors that support this rating include:

- The Lending Test rating is based on performance in the State of South Dakota. The bank's assessment area (AA) includes the Brown-Dickey County AA. The AA includes census tracts (CTs) in Brown County, South Dakota and Dickey County, North Dakota. Although the bank's single branch is located in Brown County, South Dakota, portions of Dickey County, North Dakota were included in the AA due to the local customer base and operations in close proximity to the state border.
- Performance under the Lending Test is satisfactory. The distribution of loans to farms and businesses of different sizes and CTs of different income levels reflect reasonable distribution of AA demographics.

In addition to the activities considered at the AA level, we considered the following activities at the bank-wide level:

- Management originated a substantial majority of loans, 90 percent by number and 88 percent by dollar volume, inside the bank's AA during the evaluation period.
- The loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and credit needs of the AA.
- The First National Bank of Frederick (FNB or bank) offers traditional, non-complex banking products and services available to meet the needs of all customers including small businesses, small farms, and low- and moderate-income (LMI) individuals. These products include checking accounts with low average daily balance requirements, savings accounts with no minimum opening deposit requirements, certificates of deposit, individual retirement accounts, and online banking.

### Loan-to-Deposit Ratio

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

FNB's average LTD for the 17 quarters from December 31, 2016 to December 31, 2020 is 45 percent. The ratio ranged from a quarterly low of 27 percent as of December 31, 2020 to a quarterly high of 58 percent as of September 30, 2018. LTD fluctuations are primarily attributable to the agricultural operating cycle. This analysis was performed at the bank level, as opposed to the AA level.

We conducted an LTD analysis using four similarly-situated banks operating adjacent to the bank's AA given all financial institutions located within the bank's AA are significantly larger in asset size and geographic outreach. The similarly-situated banks ranged in asset size from \$62 million to \$93 million and had similar agricultural and commercial lending concentrations. The average LTD for the similarly-

situated banks during the same period of time is 60 percent and ranged from an average quarterly low of 41 percent to an average quarterly high of 74 percent.

While FNB’s average LTD is less than the average LTD of four similarly-situated banks operating adjacent to the bank’s AA, performance context factors support a reasonable LTD rating. FNB’s single location, operations in a rural community centered in agricultural lending, and legal lending limit constraints impact FNB’s LTD and were considered in the performance context. Discussions with local community contacts indicate credit needs within the AA are being met.

**Lending in the AA**

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

The bank originated and purchased 90 percent of its total loans by number inside the AA during the evaluation period. This analysis was performed at the bank, rather than the AA, level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria.

Agricultural and commercial loans are the primary products for the evaluation period. The following AA analysis is based on a sample of 20 agricultural and 20 commercial loans originated during the evaluation period. The bank’s primary customer base is geographically centered around the Frederick, South Dakota branch. FNB’s limited non-traditional banking service offerings support the local market base and ability to substantially lend within the AA.

<b>Lending Inside and Outside of the AA</b>										
<b>Loan Category</b>	<b>Number of Loans</b>				<b>Total #</b>	<b>Dollar Amount of Loans \$(000s)</b>				<b>Total \$(000s)</b>
	<b>Inside</b>		<b>Outside</b>			<b>Inside</b>		<b>Outside</b>		
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>		<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>	
Small Business	18	90	2	10	20	1,236	85	219	15	1,455
Small Farm	18	90	2	10	20	1,765	90	200	10	1,965
<b>Total</b>	<b>36</b>	<b>90</b>	<b>4</b>	<b>10</b>	<b>40</b>	<b>3,001</b>	<b>88</b>	<b>419</b>	<b>12</b>	<b>3,420</b>

**Description of Institution**

FNB is a single-state financial institution headquartered in Frederick, South Dakota. As of December 31, 2020, FNB had total assets of \$28 million and tier one capital of \$3 million. FNB does not have a holding company or any affiliates. There were no mergers or acquisitions during the evaluation period.

FNB operates one full-service branch offering traditional, non-complex products and services in the rural areas of northern South Dakota and southern North Dakota. FNB does not operate any automatic teller machines (ATMs). Management’s business strategy focuses on serving the local community, which includes meeting the lending needs of the agricultural sector. The loan portfolio is concentrated in agricultural lending with less significant exposures to commercial and consumer lending. As of December 31, 2020, the loan portfolio totaled \$7 million and represented 25 percent of total assets. By dollar volume, the loan portfolio consists of the following credit types: 77 percent agricultural loans (including agricultural real estate), 15 percent commercial and industrial loans, and 2 percent consumer

loans. Management provided ten Paycheck Protection Program loans totaling \$54 thousand as of December 31, 2020 to support local borrower needs during the COVID-19 pandemic.

For the purposes of the CRA, FNB operates with one rating area and one AA. FNB's rating area is the State of South Dakota. The AA includes the northern half of Brown County, South Dakota and the western portion of Dickey County, North Dakota. The AA consists of one CT in Brown County and two CTs in Dickey County. FNB's single branch in Frederick, South Dakota is located in the Brown County CT. The AA includes one upper-income tract, one middle-income tract, and one moderate-income tract. The AA complies with regulatory requirements and does not arbitrarily exclude any LMI CTs.

There are no known legal, financial, or other factors impeding the bank's ability to help meet the credit needs in its AA during the evaluation period. FNB received a Satisfactory rating at its prior CRA examination dated November 21, 2016.

## **Scope of the Evaluation**

### **Evaluation Period/Products Evaluated**

We evaluated FNB using small bank examination procedures, which are limited to the Lending Test. The Lending Test evaluates the bank's record of meeting the credit needs of its AA through lending activities. The evaluation period for the Lending Test is January 1, 2018 to December 31, 2020.

We reviewed agricultural and commercial loans for the Brown-Dickey County AA, as those were determined to be the bank's primary loan products when considering volume by number and dollar. We sampled 20 loans per primary product. Loans originated in 2018-2020 are compared to 2011-2015 American Community Survey (2015 ACS) data.

### **Selection of Areas for Full-Scope Review**

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

### **Ratings**

The bank's overall rating is a blend of the state ratings and, where applicable, multistate ratings.

Given FNB has operations in a single state and AA, all weight was applied to the State of South Dakota rating and the Brown-Dickey County AA.

The MMSA rating and state ratings are based on performance in all bank AAs. Refer to the "Scope" section under each state and MMSA Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

## **Discriminatory or Other Illegal Credit Practices Review**

Pursuant to 12 CFR 25.28(c) or 195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Bureau of Consumer Financial Protection, as applicable.

The OCC has not identified that this institution engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

# State Rating

## State of South Dakota

**CRA rating for the State of South Dakota: Satisfactory.**

**The Lending Test is rated: Satisfactory.**

The major factors that support this rating include:

- The borrower distribution of loans to farms and businesses of different sizes reflects reasonable distribution of AA demographics.
- The geographic distribution of loans to farms and businesses of different income levels reflects reasonable distribution of AA demographics.
- Discussions with local community contacts indicate credit needs within the AA are being met.

## Description of Institution's Operations in South Dakota

FNB operates a single branch in Frederick, South Dakota and has no ATMs. FNB operates in the Brown-Dickey County AA. The AA includes a single CT in northern Brown County, South Dakota and two CTs in western Dickey County, North Dakota. The Brown-Dickey County AA includes one moderate-income, one middle-income, and one upper-income CT. While FNB's AA includes CTs in both South Dakota and North Dakota, only a State of South Dakota rating will be assigned due to the bank having a single branch located in South Dakota. The North Dakota CTs are included in the AA due to the bank's close proximity to the North Dakota border and a majority of lending concentrated geographically around the bank's branch in Frederick, South Dakota. Appendix A identifies FNB's AA.

FNB had \$18 million in deposits inside the AA as of June 30, 2020, which represents 100 percent of the bank's total deposits. FNB accounted for a 1 percent deposit market share as of June 30, 2020, which ranks FNB 12<sup>th</sup> out of 13 institutions. Competition within Brown County, South Dakota and Dickey County, North Dakota is strong, as 12 other financial institutions offer 18 locations throughout the counties. Competitors are generally much larger in asset size, have significantly more branches, and offer more non-traditional banking services than FNB. The AA included 317 farms, of which 314 reported gross annual revenues (GAR) under \$1 million. The AA included 695 businesses, of which 562 reported GAR under \$1 million. The AA has a population of 7,413 based on 2015 ACS data.

FNB's strategic lending focus is agricultural, given operations in a rural area surrounded by agriculture. The bank has a less significant concentration in commercial lending and a minimal consumer lending portfolio. During the evaluation period, management originated 258 loans totaling \$22 million in loan advances at origination. The primary products in the Brown-Dickey County AA are agricultural and business loans. Agricultural loans account for 69 percent of originations by number while business loans account for 22 percent of originations by number during the evaluation period.

We completed three community contacts in the AA as part of this examination to assess the adequacy of financial institutions in meeting the credit needs of the local communities. We completed two contacts in Frederick, South Dakota, one to a local economic development corporation and the other to a local

agronomy business that serves the needs of many local farmers in the area. We also completed one contact in Ellendale, North Dakota, which is in the moderate-income Dickey County, North Dakota CT. The Ellendale contact was a local government entity providing services to Dickey County residents. Contacts noted financial institutions are meeting the credit needs of the community and provide equal access to financial services. Contacts identified good involvement by financial institutions in the local communities served. Contacts noted both Frederick and Ellendale communities are in close proximity to Aberdeen, South Dakota and Jamestown, North Dakota, which provides a vast array of financial institutions for individuals with varying banking preferences beyond those offered in their local communities.

**Brown-Dickey County AA**

<b>Table A – Demographic Information of the AA</b>						
<b>AA: Brown-Dickey County AA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (CTs)	3	0.0	33.3	33.3	33.3	0.0
Population by Geography	7,413	0.0	20.4	17.2	62.4	0.0
Housing Units by Geography	3,719	0.0	20.2	20.7	59.0	0.0
Owner-Occupied Units by Geography	2,589	0.0	14.6	18.8	66.6	0.0
Occupied Rental Units by Geography	492	0.0	45.5	13.2	41.3	0.0
Vacant Units by Geography	638	0.0	23.7	34.5	41.8	0.0
Businesses by Geography	695	0.0	18.0	23.3	58.7	0.0
Farms by Geography	317	0.0	4.7	33.8	61.5	0.0
Family Distribution by Income Level	2,069	14.5	13.2	24.5	47.8	0.0
Household Distribution by Income Level	3,081	17.5	12.1	19.6	50.8	0.0
Median Family Income Non-MSAs - ND		\$72,414	Median Housing Value			\$120,544
Median Family Income Non-MSAs - SD		\$60,845	Median Gross Rent			\$591
			Families Below Poverty Level			5.0%

*Source: 2015 ACS and 2020 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.*

**Scope of Evaluation in South Dakota**

FNB operates in one AA within the State of South Dakota, the Brown-Dickey County AA. The rating for the State of South Dakota is solely based on a full-scope review of this AA.

**LENDING TEST**

The bank’s performance under the Lending Test in South Dakota is rated Satisfactory.

## **Conclusions for the Area Receiving a Full-Scope Review**

Based on a full-scope review, the bank's performance in the Brown-Dickey County AA is reasonable.

### **Distribution of Loans by Income Level of the Geography**

The bank exhibits reasonable geographic distribution of loans in the Brown-Dickey County AA. There is one moderate-income CT in the bank's AA. Our analysis is based on randomly selected samples of 20 farm and 20 business loans, not an analysis of all loans originated during the evaluation period.

Management did not originate any loans in the moderate-income CT during the evaluation period. FNB's AA includes one very small moderate-income CT located in Dickey County, North Dakota and is included in the bank's AA to provide contiguity amongst the other CTs. The moderate-income CT includes the small town of Ellendale, North Dakota, which has strong competition from local financial institutions serving the small population. We completed one community contact in Ellendale to determine the adequacy of access to financial services. The contact did not identify any instances of credit needs being unmet and stated financial institutions remain actively involved within the communities served. Given the small size of the moderate-income CT, limited lending opportunities in the CT that align with the bank's strategic focus, and community contact support for the financial needs of the local community being met, the geographic distribution of loans in the Brown-Dickey County AA is reasonable.

#### ***Small Loans to Businesses***

Refer to Table Q in the State of South Dakota section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

The geographic distribution of loans to small businesses in the Brown-Dickey County AA is reasonable. Management did not originate any loans to businesses in the moderate-income CT. The moderate-income CT includes a marginal 18 percent of small business loans located in the AA with a 7 percent aggregate over the evaluation period. Ellendale citizens' local commercial credit needs are met more accessibly by local financial institutions within the town. The Ellendale community contact did not identify any instances of unmet commercial credit needs within the area.

#### ***Small Loans to Farms***

Refer to Table S in the State of South Dakota section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to farms.

The geographic distribution of loans to small farms in the Brown-Dickey County AA is reasonable. Management did not originate any loans to farms in the moderate-income CT. The moderate-income CT includes a minimal 5 percent of small farms located in the AA with a 1 percent aggregate over the evaluation period. Due to the moderate-income CT's geography in the town Ellendale, North Dakota, there are fewer opportunities for agricultural lending. Given the small CT, low penetration of small farm loans in the CT, and community contact support for financial needs of the local community being met, the geographic distribution of small farms loans in the AA is reasonable.

## **Distribution of Loans by Income Level of the Borrower**

The bank exhibits a reasonable distribution of loans to businesses and farms of different sizes, given the product lines offered by the bank.

### ***Small Loans to Businesses***

Refer to Table R in the State of South Dakota section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to businesses.

The distribution of loans to businesses of different sizes within the AA reflects excellent distribution. Management originated 90 percent of loans to businesses with gross annual revenues (GAR) under \$1 million during the evaluation period. Management originated significantly more loans to businesses with GAR under \$1 million as compared to 2015 ACS data of 81 percent and aggregate CRA data of 58 percent.

### ***Small Loans to Farms***

Refer to Table T in the State of South Dakota section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to farms.

The distribution of loans to farms of different sizes within the AA is reasonable. Management originated 75 percent of loans to small farms with GAR under \$1 million during the evaluation period. While 2015 ACS data indicates 99 percent of farms in the AA have GAR under \$1 million, FNB remains well above the aggregate CRA data of 58 percent.

## **Responses to Complaints**

Management did not receive any complaints related to FNB's CRA performance during the evaluation period.

## Appendix A: Scope of Examination

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The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the MSAs and non-MSAs that received comprehensive examination review, designated by the term “full-scope,” and those that received a less comprehensive review, designated by the term “limited-scope”.

<b>Time Period Reviewed:</b>	<b>1/1/2018 to 12/31/2020</b>	
<b>Bank Products Reviewed:</b>	Small Farm and Small Business Loans	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
Not Applicable	Not Applicable	Not Applicable
<b>List of AAs and Type of Examination</b>		
<b>Rating and AAs</b>	<b>Type of Examination</b>	<b>Other Information</b>
<b>MMSA(s)</b>		
None	Not Applicable	Not Applicable
<b>State of South Dakota</b>		
Brown-Dickey County AA	Full-Scope	Includes Brown County, South Dakota and Dickey County, North Dakota. Includes the single Frederick, South Dakota location. Primary products are agricultural and commercial loans.

## Appendix B: Summary of MMSA and State Ratings

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<b>RATINGS: THE FIRST NATIONAL BANK OF FREDERICK</b>	
<b>Overall Bank:</b>	<b>Lending Test Rating:</b>
The First National Bank of Frederick	Satisfactory
<b>State:</b>	
South Dakota	Satisfactory

## Appendix C: Definitions and Common Abbreviations

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

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

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

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

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

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

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

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

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is

further classified into ‘male householder’ (a family with a male householder’ and no wife present) or ‘female householder’ (a family with a female householder and no husband present).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Rating Area:** A rated area is a state or MMSA. 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 MMSA, the institution will receive a rating for the MMSA.

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

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

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

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

## Appendix D: Tables of Performance Data

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### Content of Standardized Tables

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

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

- Table O. AA Distribution of Home Mortgage Loans by Income Category of the Geography -** Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.
- Table P. AA Distribution of Home Mortgage Loans by Income Category of the Borrower -** Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/AA. The table also presents aggregate peer data for the years the data is available.
- Table Q. AA Distribution of Loans to Small Businesses by Income Category of the Geography -** The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s AA.
- Table R. AA Distribution of Loans to Small Businesses by GAR -** Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.
- Table S. AA Distribution of Loans to Farms by Income Category of the Geography -** The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents aggregate peer data for the years the

data is available. Because aggregate small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's AA.

- Table T. AA Distribution of Loans to Farms by GAR** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$500 thousand) originated and purchased by the bank to farms with revenues of \$1 million or less to: 1) the percentage distribution of farms with revenues of greater than \$1 million; and, 2) the percentage distribution of farms for which revenues are not available. The table also presents aggregate peer small farm data for the years the data is available.
- Table U. AA Distribution of Consumer Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households in those geographies.
- Table V. AA Distribution of Consumer Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of households by income level in each MMSA/AA.

<b>Table Q: AA Distribution of Loans to Small Businesses by Income Category of the Geography</b>																			<b>2018-2020</b>		
AA:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts				
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate		
Brown-Dickey County AA	20	2,661	100.0	136	0.0	0.0	0.0	18.0	0.0	7.4	23.3	15.0	9.6	58.7	85.0	83.1	0.0	0.0	0.0		
<b>Total</b>	<b>20</b>	<b>2,661</b>	<b>100.0</b>	<b>136</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>18.0</b>	<b>0.0</b>	<b>7.4</b>	<b>23.3</b>	<b>15.0</b>	<b>9.6</b>	<b>58.7</b>	<b>85.0</b>	<b>83.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		

*Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 bank data; 2019 CRA aggregate data. Due to rounding, totals may not equal 100.0%.*

<b>Table R: AA Distribution of Loans to Businesses by GAR</b>												<b>2018-2020</b>	
AA:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available			
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans		
Brown-Dickey County AA	20	2,661	100.0	136	80.9	90.0	58.1	4.5	10.0	14.7	0.0		
<b>Total</b>	<b>20</b>	<b>2,661</b>	<b>100.0</b>	<b>136</b>	<b>80.9</b>	<b>90.0</b>	<b>58.1</b>	<b>4.5</b>	<b>10.0</b>	<b>14.7</b>	<b>0.0</b>		

*Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 bank data; 2019 CRA aggregate data. Due to rounding, totals may not equal 100.0%.*

<b>Table S: AA Distribution of Loans to Farms by Income Category of the Geography</b>																			<b>2018-2020</b>	
AA:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	
Brown-Dickey County AA	20	1,873	100.0	205	0.0	0.0	0.0	4.7	0.0	1.0	33.8	50.0	12.2	61.5	50.0	86.8	0.0	0.0	0.0	
<b>Total</b>	<b>20</b>	<b>1,873</b>	<b>100.0</b>	<b>205</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>4.7</b>	<b>0.0</b>	<b>1.0</b>	<b>33.8</b>	<b>50.0</b>	<b>12.2</b>	<b>61.5</b>	<b>50.0</b>	<b>86.8</b>	<b>0.0</b>	<b>50.0</b>	<b>0.0</b>	

*Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 bank data; 2019 CRA aggregate data. Due to rounding, totals may not equal 100.0%.*

<b>Table T: AA Distribution of Loans to Farms by GAR</b>												<b>2018-2020</b>	
AA:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM			Farms with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans		
Brown-Dickey County AA	20	1,873	100.0	205	99.1	75.0	58.0	0.9	25.0	0.0	0.0		
<b>Total</b>	<b>20</b>	<b>1,873</b>	<b>100.0</b>	<b>205</b>	<b>99.1</b>	<b>75.0</b>	<b>58.0</b>	<b>0.9</b>	<b>25.0</b>	<b>0.0</b>	<b>0.0</b>		

*Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 bank data; Due to rounding, totals may not equal 100.0.*