



## **PUBLIC DISCLOSURE**

October 26, 2020

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

The First National Bank of Ottawa  
Charter Number 1154

701 LaSalle Street  
Ottawa, Illinois 61350

Office of the Comptroller of the Currency

211 Fulton Street  
Suite 604  
Peoria, Illinois 61602

**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.

## Table of Contents

|  |     |
|--|-----|
| Overall CRA Rating.....                                      | 1   |
| Description of Institution.....                              | 2   |
| Scope of the Evaluation.....                                 | 2   |
| Discriminatory or Other Illegal Credit Practices Review..... | 4   |
| Lending Test .....   | 1   |
| State Rating.....  | 5   |
| State of Illinois.....                                       | 5   |
| Appendix A: Scope of Examination.....                        | A-1 |
| Appendix B: Summary of MMSA and State Ratings.....           | B-1 |
| Appendix C: Definitions and Common Abbreviations.....        | C-1 |
| Appendix D: Tables of Performance Data.....                  | D-1 |

# Overall CRA Rating

**Institution’s CRA Rating:** This institution is rated **Satisfactory**

**The lending test is rated: Satisfactory**

The following major factors support this rating:

- The Lending Test rating is based on the performance in the State of Illinois.
- The overall borrower distribution is reasonable.
- The overall geographic distribution is reasonable.
- A majority of the bank’s loans are originated or purchased inside its assessment areas (AAs).
- The Loan-to-Deposit (LTD) ratio is reasonable.

## Loan-to-Deposit Ratio

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

The quarterly LTD averaged 87.6 percent over 12 quarters from September 30, 2017, through June 30, 2020, with a low of 71.9 percent and a high of 104.2 percent.

The bank ranked 5th of 10 similarly sized and located community banks that compete with the bank for deposits in the AAs. The comparable institutions ranged in size from \$209.5 million to \$1.3 billion, at June 30, 2020. The quarterly average for similarly situated banks over the same period ranged from 50.5 percent to 103.62 percent. The LTD ratio is calculated on a bank-wide basis.

## Lending in Assessment Area

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

The bank originated and purchased 62.3 percent of its total loans inside the bank’s AAs during the evaluation period. This analysis is performed at the bank, rather than the AA, level.

| Lending Inside and Outside of the Assessment Area |                 |      |         |      |         |                                 |      |         |      |                |
|---|-----------------|------|---------|------|---------|---------------------------------|------|---------|------|----------------|
| Loan Category                                     | Number of Loans |      |         |      | Total # | Dollar Amount of Loans \$(000s) |      |         |      | Total \$(000s) |
|   | Inside          |      | Outside |      |         | Inside                          |      | Outside |      |                |
|   | #               | %    | #       | %    |         | \$                              | %    | \$      | %    |                |
| Home Mortgage                                     | 591             | 63.3 | 342     | 36.7 | 933     | 77,167                          | 46.0 | 90,408  | 54.0 | 167,576        |
| Business  | 15              | 37.5 | 25      | 62.5 | 40      | 42,530                          | 15.3 | 235,037 | 84.7 | 277,567        |
| Total   | 606             | 62.3 | 367     | 37.7 | 973     | 119,697                         | 26.9 | 325,445 | 73.1 | 445,142        |

Source: HMDA data from January 1, 2017 to December 31, 2019. Random Sample of business loans from January 1, 2017 to December 31, 2019.

## **Description of Institution**

The First National Bank of Ottawa (FNB or bank) is an intrastate bank headquartered in Ottawa, IL with total assets of \$786.1 million at June 30, 2020. The bank is wholly owned by First Ottawa Bancshares, Inc. a \$786.1 million bank holding company headquartered in Ottawa, Illinois. The holding company does not negatively impact the bank's ability to meet the credit needs of the community.

The CRA evaluation has one rating area for FNB's two AAs.

The NonMSA AA is composed of all census tracts (CTs) in LaSalle County and one CT in northern Livingston County and has six branch facilities, including the main office, and eight automated teller machines (ATMs). All but one branch facility provides extended banking services on Saturday. The Chicago MSA AA includes two whole counties, Grundy and Kendall, which are part of the Chicago-Naperville-Elgin IL-IN-WI MSA. The Chicago MSA AA has four branches and two ATMs with one branch offering extended banking services on Saturday. Customers have additional banking access through internet and mobile platforms.

The bank opened two branches, both in the Chicago MSA, since the previous CRA evaluation. The branch in Lisle, Illinois, opened in October 2019, and the branch in Schaumburg, Illinois, opened in February 2020.

During the evaluation period, the bank sourced a majority of its deposits from the NonMSA AA, with the NonMSA AA representing 90.3 percent, at June 30, 2019, per FDIC deposit data.

FNB offers agriculture, business, consumer, and residential loan products. FNB's recent expansion with the two new branches in Lisle and Schaumburg is largely focused on business lending to small and medium size businesses.

Commercial loans represent the largest portfolio at \$514.5 million, with residential at \$137.3 million, agriculture at \$32.7 million, and consumer at \$6.3 million, per call report data at June 30, 2020. FNB typically sells home mortgage loans into the secondary market.

FNB reported a net loans and leases to total assets ratio of 86.8 percent and a tier 1 leverage capital ratio of 7.3 percent, at June 30, 2020.

There are no legal or financial circumstances that impede the bank's ability to meet the credit needs of its AAs.

The previous CRA rating, which the OCC determined using the Small Bank evaluation procedures, was Satisfactory, as detailed in the PE dated September 25, 2017.

## **Scope of the Evaluation**

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

The evaluation period covers the period from the date of the previous CRA PE of September 25, 2017, through October 26, 2020. We evaluated FNB under the Small Bank evaluation procedures, which includes a Lending Test.

The Lending Test evaluated primary loan products originated or purchased between January 1, 2017, and December 2019, and were compared to the 2015 American Community Survey Census Data.

The primary loans products for the evaluation were determined to be home mortgage and business loans. The bank originated over 1,700 loans with residential and business loans accounting for 48.1 percent and 36.6 percent, respectively, by number of originations and purchases, per bank data for the period between January 1, 2017, and December 31, 2019.

With an evaluation period end date of December 31, 2019, qualifying activities performed in response to the significant impact of the coronavirus pandemic on economies across the United States are not addressed in this evaluation. Bank qualifying activities will be appropriately considered in the subsequent evaluation.

### **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.

FNB’s two AAs are located within the State of Illinois.

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 has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

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

# State Rating

## State of Illinois

**CRA rating for the State of Illinois:** Satisfactory

**The Lending Test is rated:** Satisfactory

The following major factors support this rating:

- The overall borrower distribution is reasonable. The borrower distribution of home mortgage loans is reasonable, and the distribution of small business loans is reasonable.
- The overall geographic distribution is reasonable. The geographic distribution of home mortgage loans is excellent, and the distribution of small business loans is reasonable.

## Description of Institution's Operations in Illinois

The Bank offers a variety of lending options to serve its customers in the AAs, including residential, business, consumer, and agriculture loan products. During the evaluation period, FNB served its customers in the NonMSA AA, with six branch facilities, including the main office, and eight ATMs. Three branches serve moderate-income geographies. All but one branch facility provides extended banking services on Saturday. FNB served its customers in the Chicago MSA AA with two ATMs and two branches, with one branch offering extended banking services on Saturday. Customers have additional banking access through internet and mobile platforms.

The bank opened two branches in the Chicago MSA, with one in Lisle, Illinois, in October 2019, and one in Schaumburg, Illinois, in February 2020, bringing its count in the AA to four branches. The Lisle and Schaumburg locations are focused on providing loans to small and medium sized business and are not included in this evaluation of the Lending Test as the Lisle branch was opened too late in the 2019 year to be factored into the analysis and the Schaumburg branch was opened outside of the Lending Test evaluation period. These two branches and their associated AAs will be appropriately considered in the subsequent evaluation.

The annual unemployment rate in the State of Illinois had been declining during the evaluation period. The unemployment rate was 4.9 percent in 2017, which declined to 4.3 percent in 2018, and further declined to 4.0 percent in 2019. All counties in the AAs experienced declining unemployment rates, which may have provided opportunities for lending. In the NonMSA AA, LaSalle County compared unfavorably at 5.3 percent in 2019, while Livingston was comparable at 4.1 percent, to the State of Illinois annual unemployment rate. In the Chicago MSA, Kendall County compared favorably at 3.3 percent in 2019, while Grundy County compared unfavorably at 4.5 percent, to the State of Illinois annual unemployment rate.

Major employment sectors in the NonMSA include health care, manufacturing, and retail services. Major employers include the Peru Mall, Illinois Valley Community Hospital, and Illinois Valley Community College. In the Chicago MSA, major employment sectors include health care, manufacturing, and retail services. Major employers include the Morris Hospital & Healthcare Centers and Exelon Dresden Generating Station.

Competition for deposits and loans is moderate to high in the AAs. The bank faces competition from national banks, state banks, federal thrifts, and credit unions. The bank also competes with medium and large financial institutions from the Chicago market that have a large reach into the AAs. In the NonMSA AA, FNB held a 10.2 percent deposit market share, or rank of 3<sup>rd</sup> of 34 FDIC-insured financial institutions competing for the area’s \$4.2 billion in deposits, at June 30, 2019. In the Chicago MSA, FNB held a 1.1 percent deposit market share, or rank of 16<sup>th</sup> of 22 FDIC insured financial institutions competing for the areas \$3.2 billion in deposits.

Housing costs are generally more affordable in the NonMSA than the Chicago MSA, given the median housing value. Low-income families may face challenges in home affordability in both AAs, limiting opportunities for lending. The bank participates in lending programs to help meet the needs of low- and moderate-income families, which include low and no down payment options as well as down payment assistance options.

We contacted representatives of an economic development group, small business advocate, and a community service organization that provide services and outreach in the NonMSA and Chicago MSA. The contacts described the economic condition of the evaluation period for the broader North Central Illinois area as stable to challenging. Areas along I-80, such as Peru, LaSalle, and Ottawa, have experienced growth, but the economic outlook of the state presents a challenge to the business environment.

A contact discussed a need for financial education for those with poor or limited credit history, and education on SBA loan opportunities. Contacts noted that the small rural downtowns are in need of revitalization, and affordable housing is a prevalent need. Another contact discussed a need for small dollar loan funding. The contacts had no negative perceptions of the bank.

## NonMSA

| <b>Table A – Demographic Information of the Assessment Area</b> |          |                       |                              |                          |                         |                       |
|---|----------|-----------------------|------------------------------|--------------------------|-------------------------|-----------------------|
| <b>Assessment Area: NonMSA 2017-2019, 2015 ACS Census</b>       |          |                       |                              |                          |                         |                       |
| <b>Demographic Characteristics</b>                              | <b>#</b> | <b>Low<br/>% of #</b> | <b>Moderate<br/>% of #</b>   | <b>Middle<br/>% of #</b> | <b>Upper<br/>% of #</b> | <b>NA*<br/>% of #</b> |
| Geographies (Census Tracts)                                     | 29       | 0.0                   | 10.3                         | 69.0                     | 20.7                    | 0.0                   |
| Population by Geography   | 115,120  | 0.0                   | 6.9                          | 72.7                     | 20.3                    | 0.0                   |
| Housing Units by Geography                                      | 51,412   | 0.0                   | 7.9                          | 72.2                     | 19.9                    | 0.0                   |
| Owner-Occupied Units by Geography                               | 33,400   | 0.0                   | 5.2                          | 72.3                     | 22.5                    | 0.0                   |
| Occupied Rental Units by Geography                              | 12,014   | 0.0                   | 13.3                         | 73.1                     | 13.7                    | 0.0                   |
| Vacant Units by Geography                                       | 5,998    | 0.0                   | 12.1                         | 69.9                     | 18.0                    | 0.0                   |
| Businesses by Geography   | 6,269    | 0.0                   | 13.0                         | 68.2                     | 18.9                    | 0.0                   |
| Farms by Geography  | 472      | 0.0                   | 2.8                          | 71.8                     | 25.4                    | 0.0                   |
| Family Distribution by Income Level                             | 29,735   | 17.6                  | 17.1                         | 20.6                     | 44.6                    | 0.0                   |
| Household Distribution by Income Level                          | 45,414   | 21.7                  | 14.7                         | 17.3                     | 46.2                    | 0.0                   |
| Median Family Income Non-MSAs - IL                              |          | \$59,323              | Median Housing Value         |                          |                         | \$125,638             |
|   |          |                       | Median Gross Rent            |                          |                         | \$693                 |
|   |          |                       | Families Below Poverty Level |                          |                         | 9.6%                  |



Source: 2015 ACS and 2019 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.

## Chicago MSA

| <b>Table A – Demographic Information of the Assessment Area</b>     |          |                       |                              |                          |                         |                       |
|---|----------|-----------------------|------------------------------|--------------------------|-------------------------|-----------------------|
| <b>Assessment Area: Chicago MSA, 2017-2019, 2015 ACS Census</b>     |          |                       |                              |                          |                         |                       |
| <b>Demographic Characteristics</b>                                  | <b>#</b> | <b>Low<br/>% of #</b> | <b>Moderate<br/>% of #</b>   | <b>Middle<br/>% of #</b> | <b>Upper<br/>% of #</b> | <b>NA*<br/>% of #</b> |
| Geographies (Census Tracts)   | 20       | 0.0                   | 0.0                          | 70.0                     | 30.0                    | 0.0                   |
| Population by Geography   | 170,313  | 0.0                   | 0.0                          | 55.8                     | 44.2                    | 0.0                   |
| Housing Units by Geography  | 61,179   | 0.0                   | 0.0                          | 56.4                     | 43.6                    | 0.0                   |
| Owner-Occupied Units by Geography                                   | 45,642   | 0.0                   | 0.0                          | 56.3                     | 43.7                    | 0.0                   |
| Occupied Rental Units by Geography                                  | 11,366   | 0.0                   | 0.0                          | 57.5                     | 42.5                    | 0.0                   |
| Vacant Units by Geography   | 4,171    | 0.0                   | 0.0                          | 54.8                     | 45.2                    | 0.0                   |
| Businesses by Geography   | 8,851    | 0.0                   | 0.0                          | 50.7                     | 49.3                    | 0.0                   |
| Farms by Geography  | 463      | 0.0                   | 0.0                          | 70.8                     | 29.2                    | 0.0                   |
| Family Distribution by Income Level                                 | 43,839   | 14.3                  | 15.8                         | 21.4                     | 48.5                    | 0.0                   |
| Household Distribution by Income Level                              | 57,008   | 15.2                  | 13.0                         | 18.3                     | 53.5                    | 0.0                   |
| Median Family Income MSA - 16984<br>Chicago-Naperville-Evanston, IL |          | \$75,024              | Median Housing Value         |                          |                         | \$195,291             |
| Median Family Income MSA - 20994<br>Elgin, IL                       |          | \$80,899              | Median Gross Rent            |                          |                         | \$1,134               |
|   |          |                       | Families Below Poverty Level |                          |                         | 4.8%                  |

Source: 2015 ACS and 2019 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 Illinois

The NonMSA and Chicago MSA received full-scope reviews. More weight was placed on lending to LMI borrowers and small business than lending in LMI geographies as the AAs contained few LMI geographies.

## LENDING TEST

The bank's performance under the Lending Test in Illinois is rated Satisfactory.

## Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank's performance in the NonMSA reflected reasonable geographic distribution and excellent borrower distribution performance. The Chicago MSA reflected reasonable borrower distribution performance.

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

The bank exhibits reasonable geographic distribution of loans in the state. The geographic distribution of home mortgage loans is excellent, and the distribution of small business loans is reasonable.

### ***Home Mortgage Loans***

Refer to Table O in the state of Illinois section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The distribution of home mortgage loans reflects excellent distribution.

NonMSA

The distribution of home mortgage loans reflects excellent distribution.

The proportion of lending in moderate income geographies exceeded the percentage of owner-occupied housing units and was significantly stronger than the aggregate distribution. There were no low-income geographies in the AA during the evaluation period.

Chicago MSA

There were no low- or moderate-income geographies in the AA during the evaluation period.

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

Refer to Table Q in the state of Illinois 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 distribution of loans to businesses reflects reasonable distribution.

NonMSA

The distribution of loans to businesses reflects reasonable distribution.

The proportion of loans to businesses was near to the percentage of businesses in moderate-income geographies and weaker than the aggregate distribution. There were no low-income geographies in the AA during the evaluation period.

Chicago MSA

There were no low- or moderate-income geographies in the AA during the evaluation period.

### ***Lending Gap Analysis***

We performed a lending gap analysis that included a review of density maps, geocoded sample of business loans and compared the distribution to AA maps and location of branches. We did not identify any unexplained conspicuous gaps in lending.

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

The bank exhibits a reasonable distribution of loans to individuals of different income levels and businesses of different sizes, given the product lines offered by the bank. The borrower distribution of home mortgage loans is reasonable, and the distribution of small business loans is reasonable.

### ***Home Mortgage Loans***

Refer to Table P in the state of Illinois section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The distribution of home mortgage loans reflects reasonable distribution.

NonMSA

The distribution of home mortgage loans reflects excellent distribution.

The proportion of lending to low-income families was less than the percentage of low-income families in the AA but significantly stronger than the aggregate distribution. The proportion of lending to moderate-income families significantly exceeded the percentage of moderate-income families and was significantly stronger than the aggregate distribution.

Chicago MSA

The distribution of home mortgage loans reflects reasonable distribution.

The proportion of lending to low-income families was substantially less than the percentage of low-income families in the AA and significantly weaker than the aggregate distribution. The proportion of lending to moderate-income families exceeded the percentage of moderate-income families in the AA but was slightly weaker than the aggregate distribution.

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

Refer to Table R in the state of Illinois 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 lending to small businesses reflects reasonable distribution.

NonMSA

The distribution of loans to small businesses reflects excellent distribution.

The proportion of lending to small businesses exceeded the percentage of small businesses and was significantly stronger than the aggregate distribution.

Chicago MSA

The distribution of loans to small businesses reflects reasonable distribution.

The proportion of lending to small businesses was less than the percentage of small businesses but was stronger than the aggregate distribution.

## 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>                            | January 1, 2017 to December 31, 2019 |  |
| <b>Bank Products Reviewed:</b>                          | Home mortgage and Small Business     |  |
| <b>Affiliate(s)</b>                                     | <b>Affiliate Relationship</b>        | <b>Products Reviewed</b>                                 |
| NA  | NA                                   | NA   |
| <b>List of Assessment Areas and Type of Examination</b> |                                      |  |
| <b>Rating and Assessment Areas</b>                      | <b>Type of Exam</b>                  | <b>Other Information</b>                                 |
| <b>States</b>   |                                      |  |
| Illinois  |                                      |  |
| NonMSA Illinois   | Full-Scope                           | All of LaSalle County and a portion of Livingston County |
| Chicago MSA   | Full-Scope                           | All of Grundy County and all of Kendal County            |
|   |                                      |  |

## Appendix B: Summary of MMSA and State Ratings

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| RATINGS           | The First National Bank of Ottawa |
|-------------------|-----------------------------------|
| Overall Bank:     | Lending Test Rating               |
| Overall           | Satisfactory                      |
| MMSA or State:    |                                   |
| State of Illinois | 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/assessment area.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

## Appendix D: Tables of Performance Data

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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/assessment area. 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 PE.

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

- Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.
- Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.
- Table Q. Assessment Area 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 assessment area.
- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - 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 O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** **2017-19**

| Assessment Area: | Total Home Mortgage Loans |               |              |                | Low-Income Tracts                 |              |            | Moderate-Income Tracts            |              |            | Middle-Income Tracts              |              |             | Upper-Income Tracts               |              |             | Not Available-Income Tracts       |              |            |
|------------------|---------------------------|---------------|--------------|----------------|-----------------------------------|--------------|------------|-----------------------------------|--------------|------------|-----------------------------------|--------------|-------------|-----------------------------------|--------------|-------------|-----------------------------------|--------------|------------|
|                  | #                         | \$            | % of Total   | Overall Market | % of Owner-Occupied Housing Units | % Bank Loans | Aggregate  | % of Owner-Occupied Housing Units | % Bank Loans | Aggregate  | % of Owner-Occupied Housing Units | % Bank Loans | Aggregate   | % of Owner-Occupied Housing Units | % Bank Loans | Aggregate   | % of Owner-Occupied Housing Units | % Bank Loans | Aggregate  |
| MSA              | 123                       | 25,193        | 20.8         | 9,316          | 0.0                               | 0.0          | 0.0        | 0.0                               | 0.0          | 0.0        | 56.3                              | 62.6         | 52.7        | 43.7                              | 37.4         | 47.3        | 0.0                               | 0.0          | 0.0        |
| NonMSA           | 468                       | 51,975        | 79.2         | 2,440          | 0.0                               | 0.0          | 0.0        | 5.2                               | 6.0          | 3.6        | 72.3                              | 65.6         | 64.1        | 22.5                              | 28.4         | 32.3        | 0.0                               | 0.0          | 0.0        |
| <b>Total</b>     | <b>591</b>                | <b>77,167</b> | <b>100.0</b> | <b>11,756</b>  | <b>0.0</b>                        | <b>0.0</b>   | <b>0.0</b> | <b>2.2</b>                        | <b>4.8</b>   | <b>0.7</b> | <b>63.1</b>                       | <b>65.0</b>  | <b>55.0</b> | <b>34.7</b>                       | <b>30.3</b>  | <b>44.2</b> | <b>0.0</b>                        | <b>0.0</b>   | <b>0.0</b> |

Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2019 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

**Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** **2017-19**

| Assessment Area: | Total Home Mortgage Loans |               |              |                | Low-Income Borrowers |              |            | Moderate-Income Borrowers |              |             | Middle-Income Borrowers |              |             | Upper-Income Borrowers |              |             | Not Available-Income Borrowers |              |             |
|------------------|---------------------------|---------------|--------------|----------------|----------------------|--------------|------------|---------------------------|--------------|-------------|-------------------------|--------------|-------------|------------------------|--------------|-------------|--------------------------------|--------------|-------------|
|                  | #                         | \$            | % of Total   | Overall Market | % Families           | % Bank Loans | Aggregate  | % Families                | % Bank Loans | Aggregate   | % Families              | % Bank Loans | Aggregate   | % Families             | % Bank Loans | Aggregate   | % Families                     | % Bank Loans | Aggregate   |
| MSA              | 123                       | 25,193        | 20.8         | 9,316          | 14.3                 | 2.4          | 6.4        | 15.8                      | 17.9         | 20.2        | 21.4                    | 31.7         | 26.1        | 48.5                   | 45.5         | 28.9        | 0.0                            | 2.4          | 18.4        |
| NonMSA           | 468                       | 51,975        | 79.2         | 2,440          | 17.6                 | 10.0         | 6.1        | 17.1                      | 29.1         | 17.9        | 20.6                    | 25.2         | 22.0        | 44.6                   | 32.5         | 40.0        | 0.0                            | 3.2          | 14.1        |
| <b>Total</b>     | <b>591</b>                | <b>77,167</b> | <b>100.0</b> | <b>11,756</b>  | <b>15.6</b>          | <b>8.5</b>   | <b>6.3</b> | <b>16.3</b>               | <b>26.7</b>  | <b>19.7</b> | <b>21.1</b>             | <b>26.6</b>  | <b>25.3</b> | <b>46.9</b>            | <b>35.2</b>  | <b>31.2</b> | <b>0.0</b>                     | <b>3.0</b>   | <b>17.5</b> |

Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2019 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

**Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** **2017-19**

| Assessment Area: | 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  |
| MSA              | 20                              | 5,231        | 50.0       | 2,836          | 0.0               | 0.0          | 0.0        | 0.0                    | 0.0          | 0.0        | 50.7                 | 70.0         | 40.2        | 49.3                | 30.0         | 59.8        | 0.0                         | 0.0          | 0.0        |
| NonMSA           | 20                              | 2,521        | 50.0       | 1,223          | 0.0               | 0.0          | 0.0        | 13.0                   | 10.0         | 14.6       | 68.2                 | 55.0         | 63.2        | 18.9                | 35.0         | 22.2        | 0.0                         | 0.0          | 0.0        |
| <b>Total</b>     | <b>40</b>                       | <b>7,751</b> | <b>100</b> | <b>4,059</b>   | <b>0.0</b>        | <b>0.0</b>   | <b>0.0</b> | <b>5.4</b>             | <b>5.0</b>   | <b>4.4</b> | <b>57.9</b>          | <b>62.5</b>  | <b>47.2</b> | <b>36.7</b>         | <b>32.5</b>  | <b>48.4</b> | <b>0.0</b>                  | <b>0.0</b>   | <b>0.0</b> |

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

**Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues** **2017-19**

| Assessment Area: | 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 |
| MSA              | 20                              | 5,230        | 50.0       | 2,836          | 85.2                            | 60.0         | 46.5        | 4.1                            | 40.0         | 10.6                                   | 0.0          |
| NonMSA           | 20                              | 2,521        | 50.0       | 1,223          | 77.2                            | 90.0         | 46.4        | 6.9                            | 10.0         | 15.9                                   | 0.0          |
| <b>Total</b>     | <b>40</b>                       | <b>7,751</b> | <b>100</b> | <b>4,059</b>   | <b>81.9</b>                     | <b>75.0</b>  | <b>46.5</b> | <b>5.3</b>                     | <b>25.0</b>  | <b>12.8</b>                            | <b>0.0</b>   |

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%