



Office of the
Comptroller of the Currency
Washington, DC 20219

INTERMEDIATE SMALL BANK

PUBLIC DISCLOSURE

August 11, 2020

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The First National Bank of Monterey
Charter Number 9784

6222 East Main Street
Monterey, Indiana 46960

Office of the Comptroller of the Currency
8777 Purdue Road, Suite 105
Indianapolis, Indiana 46268

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: Outstanding.

The Community Development Test is rated: Satisfactory.

The major factors that support this rating include:

- The Lending Test rating is based on excellent performance in the state of Indiana. First National Bank of Monterey (FNBM or bank) originated a substantial majority of loans in its assessment area (AA) with an excellent borrower distribution of farm and business loans and an excellent geographic distribution of business loans.
- The Community Development (CD) Test rating is based on satisfactory performance in the state of Indiana. FNBM demonstrated adequate responsiveness to CD needs by engaging in a combination of CD loans, qualified investments, and CD services.

Loan-to-Deposit Ratio

FNBM's loan-to-deposit (LTD) ratio is reasonable considering its size, financial condition, and credit needs of the AA. As calculated on a bank-wide basis, FNBM's quarterly LTD ratio averaged 71.1 percent over the 12-quarter period ending December 31, 2019. During this timeframe, the LTD ratio ranged from a low of 63.1 percent to a high of 77.8 percent. The LTD ratio reflects a notable level of public funds but does not include unused lines or credit or unfunded construction loans. If LTD ratios are adjusted to include these loan commitments, the average increases from 71.1 percent to 78.9 percent.

Lending in Assessment Area

A substantial majority of the bank's loans are inside its AA. FNBM originated 81.7 percent of its total loans inside the bank's AA during the evaluation period. This analysis is 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.

The table below shows the number and dollar volume of loans originated inside and outside the bank's AA. This data is based on a random sample of 20 home mortgage, 20 small business, and 20 small farm loans. All loans in this analysis were made between January 1, 2017, and December 31, 2019.

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	18	90.0	2	10.0	20	1,515	66.3	771	33.7	2,286
Small Business	17	85.0	3	15.0	20	776	57.0	586	43.0	1,362
Small Farm	14	70.0	6	30.0	20	1,163	72.1	450	27.9	1,613
Total	49	81.7	11	18.3	60	3,454	65.7	1,807	34.3	5,261

Description of Institution

FNBM is a federally chartered national bank headquartered in Monterey, Indiana. As a full-service bank, FNBM offers a variety of products and services for business or personal needs. These include agricultural loans, commercial loans, home mortgage loans, consumer loans, checking and savings accounts, certificates of deposits, individual retirement accounts, safe deposit boxes, telephone banking, online banking, and mobile banking. FNBM does not have any subsidiaries and did not engage in merger/acquisition activity during the evaluation period.

FNBM serves all or a portion of four contiguous counties in northwestern Indiana and offers all banking products and services at each of its four offices. The main office and one branch are in Pulaski County. In addition, the bank has one branch in Marshall County and one in Starke County. Each branch office has a deposit-taking automated teller machine (ATM). All counties in which FNBM has offices and deposit-taking ATMs are part of the nonmetropolitan statistical area (Non-MSA) in Indiana. As such, the Indiana Non-MSA is FNBM's only AA.

As of June 30, 2020, FNBM had total assets of \$347.0 million and tier 1 capital of \$43.9 million. Total deposits equaled \$294.2 million or 84.8 percent of total assets, with approximately 41 percent assigned to FNBM's Winamac office in Pulaski County. Gross loans and leases of \$213.1 million represented 61.4 percent of total assets. Loan originations and loan portfolio composition reflect FNBM's history of serving farmers as well as efforts to lend to individuals, households, and businesses. Based on the number and dollar volume of loan originations in 2017, 2018, and 2019, farm loans, business loans, and home mortgage loans are considered the primary loan products for this evaluation.

The following tables provide a summary of FNBM's deposit data, loan originations, and loan portfolio composition.

Deposit Data		
Office / County	Deposit Amount (000s)	% of Total Deposits
Culver / Marshall	\$ 51,854	17.6%
Monterey / Pulaski	\$ 62,755	21.4%
Winamac / Pulaski	\$ 121,571	41.3%
North Judson / Starke	\$ 58,023	19.7%
Total	\$ 294,203	100.0%

Source: FDIC Summary Deposits Report for June 30, 2020

Loan Originations		
Loan Category	% of # of Loans Originated	% of \$ of Loans Originated
Farm Loans	24.8%	56.3%
Business Loans	16.1%	16.6%
Home Mortgage Loans	13.1%	20.9%
Consumer Loans	46.0%	6.2%
Total	100.0%	100.0%

Source: Internal Reports for Loan Originations in 2017, 2018, and 2019

Loan Portfolio Composition			
Loan Category	Amount (\$000's)	Percent of Total Loans	Percent of Total Assets
Residential Loans	\$ 41,956	20.5%	12.1%
Farm Loans	\$ 127,936	62.5%	36.9%
Business Loans	\$ 30,641	15.0%	8.8%
Consumer Loans	\$ 4,072	2.0%	1.2%
Total Gross Loans	\$ 204,605	100.0%	59.0%

Source: Call Report as of June 30, 2020

FNBM does not have any legal, financial, or other impediments that hinder its ability to meet the credit needs of its AA. FNBM was assigned a Satisfactory rating at its prior CRA evaluation dated July 10, 2017.

Scope of the Evaluation

Evaluation Period/Products Evaluated

This evaluation addresses FNBM's CRA performance from January 1, 2017, through December 31, 2019. Examiners assessed this performance using Intermediate Small Bank examination procedures which include a Lending Test and a CD Test. The Lending Test reflects an evaluation of FNBM's record of meeting the credit needs of the AA through its lending activities. The CD Test reflects an evaluation of FNBM's responsiveness to CD needs of the AA through loans, qualified investments, and services with a CD purpose.

To evaluate FNBM's lending practices, examiners reviewed data from a representative sample of primary loan products. As noted above, examiners determined farm loans, business loans, and home mortgage loans were the primary products. The loan sample included 60 loans and was divided equally between the three primary products.

The evaluation of FNBM's CD activities was based on the responsiveness of all CD-purpose loans, qualified investments, and services. The analysis period for CD activities is July 11, 2017, through December 31, 2019. Any activities prior to July 11, 2017, were included in the previous evaluation and any activities after December 31, 2019, will be considered during the next evaluation. As such, all qualifying activities performed in response to the significant impact of the coronavirus pandemic are not addressed in this evaluation and 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 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. FNBM operates in a single state, so its overall rating is the same as the rating for the state of Indiana. The state of Indiana rating is based on performance in FNBM’s only AA, the Indiana Non-MSA. If performance varied among loan products, results were weighted according to the number of loans originated. Farm loans received the most weight followed by business loans and home mortgage loans.

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 (or any affiliate whose loans have been considered as part of the institution's lending performance) 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 Indiana

CRA rating for the State of Indiana¹: Satisfactory

The Lending Test is rated: Outstanding

The CD Test is rated: Satisfactory

The major factors that support this rating include:

- The Lending Test rating is based on excellent performance in the IN Non-MSA AA. FNBM originated a substantial majority of loans in its AA with an excellent borrower distribution of farm and business loans and an excellent geographic distribution of business loans.
- The CD Test rating is based on satisfactory performance in the IN Non-MSA AA. FNBM demonstrated adequate responsiveness to CD needs by engaging in a combination of CD loans, qualified investments, and CD services.

Description of Institution's Operations in Indiana

FNBM conducts business from four office locations in northwestern Indiana. See Description of Institution section above for more details. Based on this footprint, FNBM has delineated one AA, the Indiana Non-MSA. Additional information regarding demographic data, employment, competition, and credit needs for the AA is discussed below.

Indiana Non-MSA AA

The AA consists of four census tracts in Fulton County, two census tracts in Marshall County, six census tracts in Starke County, and four census tracts in Pulaski County. The AA includes 16 of the 29 census tracts since the entire four-county area would be difficult to serve given FNBM's size and office locations. As delineated, this AA meets the requirements of CRA and does not arbitrarily exclude any low- or moderate-income (LMI) geographies. The following table provides a summary of demographic information for this AA.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Indiana Non-MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	16	0.0	12.5	87.5	0.0	0.0
Population by Geography	56,185	0.0	16.7	83.3	0.0	0.0

¹ This rating reflects performance within the state. The statewide evaluations do not reflect performance in the parts of those states contained within the MMSA.

Housing Units by Geography	26,662	0.0	17.0	83.0	0.0	0.0
Owner-Occupied Units by Geography	17,031	0.0	14.3	85.7	0.0	0.0
Occupied Rental Units by Geography	4,880	0.0	31.2	68.8	0.0	0.0
Vacant Units by Geography	4,751	0.0	11.8	88.2	0.0	0.0
Businesses by Geography	3,323	0.0	25.1	74.9	0.0	0.0
Farms by Geography	495	0.0	2.0	98.0	0.0	0.0
Family Distribution by Income Level	14,881	19.8	20.9	24.4	34.8	0.0
Household Distribution by Income Level	21,911	24.0	17.0	21.2	37.9	0.0
Median Family Income Non-MSAs - IN	\$55,715	Median Housing Value			\$99,637	
FFIEC Updated Family Median	\$61,200	Median Gross Rent			\$670	
			Families Below Poverty Level			11.1%
<i>Source: 2015 ACS and 2019 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Employment

Business demographic data indicated the primary industries in the four-county AA are services (34.2 percent), agriculture, forestry, and fishing (13.0 percent), retail trade (12.5 percent), construction (7.1 percent), and finance, insurance, and real estate (6.2 percent). According to Hoosiers by the Numbers, some of the major employers are Braunability Wheelchair Lifts and Pulaski Memorial Hospital in Pulaski County, Southwire Company and Nishikawa Cooper LLC in Marshall County, Rochester Metal Products Corporation and LAU Rochester in Fulton County, and Pathfinder Services Incorporated and Mpi Indiana Fineblanking in Starke County.

The annual unemployment rate for each county in the Indiana Non-MSA has been relatively stable and trending with the statewide rate. Currently, most counties have a lower unemployment rate than the state, but Starke County's rate is slightly higher. The following table summarizes these annual unemployment rates:

Unemployment Rates			
Area	2017	2018	2019
Fulton County	3.5%	3.4%	3.2%
Marshall County	3.1%	3.2%	3.1%
Pulaski County	3.5%	3.1%	3.1%
Starke County	4.4%	4.4%	4.3%
State of Indiana	3.6%	3.5%	3.3%

Source: Bureau of Labor Statistics

Affordability

Homeownership is not necessarily affordable for all LMI borrowers, particularly some low-income families. Based on the 2019 FFIEC median family income of \$61,200, low-income families make less than \$30,600. At \$99,637, the median housing value was at least 3.3 times the annual income of a low-income family.

Competition

Competition for deposits is notable due to the number and size of financial institutions with offices in the AA. As of June 30, 2019, FDIC deposit data showed FNBM along with 14 other national and state banks operated 39 branches in Fulton, Marshall, Pulaski, and/or Starke counties. FNBM's four offices with \$259.3 million of deposits represented a market share of 14.3 percent; this market share ranks FNBM third. In comparison to its competitors, FNBM is the only financial institution that does not have any offices outside the four-county AA.

Based on aggregate loan data, the AA has a notable number of lenders for home mortgage, small business, and small farm loans. Aggregate HMDA data for 2019 indicates 172 lenders originated or purchased almost 1,500 home mortgage loans. The most recent aggregate CRA loan data for 2018 indicates 56 lenders originated or purchased almost 1,595 small business and small farm loans.

Credit Needs & Opportunities

The information from two community contacts and contextual research provided insight on potential credit and CD needs. One contact is involved with small business and economic development, while the other is involved with affordable housing. The comments from both contacts indicate there are ongoing needs and opportunities to support affordable housing and small businesses. This includes assistance for first-time homebuyers and basic financial education for individuals and businesses. Although somewhat limited by the smaller size and rural nature of the AA, there are opportunities to support affordable housing projects, workforce development programs, and substance abuse initiatives. Both contacts mentioned local financial institutions have shown an interest and willingness to support these needs.

Scope of Evaluation in Indiana

Examiners performed a full-scope review of FNBM's only AA, the Indiana Non-MSA. Refer to the table in Appendix A: Scope of Examination for additional information.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN INDIANA**LENDING TEST**

The bank's performance under the Lending Test in Indiana is rated Outstanding.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review of the Indiana Non-MSA, the bank's lending performance in the state of Indiana is excellent. This conclusion is based on:

- the excellent borrower distribution of farm and business loans,
- the excellent geographic distribution of business loans, and
- the absence of complaints regarding FNBM's CRA performance.

Distribution of Loans by Income Level of the Geography

The bank exhibits reasonable geographic distribution of loans in the state. Examiners noted the AA does not have any low-income geographies and two moderate-income geographies. Examiners also noted FNBM's nearest office is approximately 10-14 miles from these two geographies, while several competitors have offices within five miles.

Home Mortgage Loans

The geographic distribution of home mortgage loans is reasonable. FNBM originated 10 percent of its home mortgage loans in moderate-income census tracts. This percentage was below, but not significantly lower than, the percentage of owner-occupied housing units or aggregate lending in these geographies.

Refer to Table O in the state of Indiana 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.

Small Loans to Businesses

The geographic distribution of business loans is excellent. FNBM originated 35 percent of its business loans in the moderate-income census tracts. This percentage exceeds both the percentage of businesses and aggregate lending in these geographies.

Refer to Table Q in the state of Indiana 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.

Small Loans to Farms

The geographic distribution of farm loans is reasonable. FNBM did not originate any farm loans in the moderate-income census tracts. However, demographic and aggregate lending data support lending opportunities were limited. Demographic data indicates only two percent of farms, or ten farms, are in the moderate-income geographies. In addition, the aggregate lending data shows reporting lenders did not originate or purchase any farms loans in these geographies.

Refer to Table S in the state of Indiana 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.

Distribution of Loans by Income Level of the Borrower

The bank exhibits an excellent distribution of loans to individuals of different income levels and businesses and farms of different sizes, given the product lines offered by the bank.

Home Mortgage Loans

The distribution of home mortgage loans among borrowers of different incomes is reasonable. FNBM originated 30 percent of its home mortgage loans to LMI borrowers. FNBM's percentage of loans to low-income borrowers exceeded the percentage of low-income families in the AA and the percentage of aggregate reporting lenders. FNBM's percentage of loans to moderate-income borrowers was below the percentage of moderate-income families and the percentage of aggregate reporting lenders.

Refer to Table P in the state of Indiana 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.

Small Loans to Businesses

The distribution of loans to businesses of different sizes is excellent. FNBM originated 85 percent of its loans to businesses with revenues of \$1.0 million or less. FNBM's percentage of loans to such businesses exceeded the percentage of small businesses in the AA and was significantly above the percentage for aggregate reporting lenders. In addition, examiners considered the other 15 percent of loans analyzed were to relatively small businesses with revenues between \$1.3 and \$2.5 million.

Refer to Table R in the state of Indiana 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.

Small Loans to Farms

The distribution of loans to farms of different sizes is excellent. FNBM originated 80 percent of its loans to farms with revenues of \$1.0 million or less. FNBM's percentage of loans to such farms was below the percentage of such farms in the AA but was significantly above the percentage for aggregate reporting lenders. In addition, examiners considered the other 20 percent of loans analyzed were to relatively small farms with revenues between \$1.0 and \$1.3 million.

Refer to Table T in the state of Indiana 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.

Responses to Complaints

FNBM did not receive any complaints regarding its CRA performance during the evaluation period.

COMMUNITY DEVELOPMENT TEST

The bank's performance under the CD Test in the state of Indiana is rated Satisfactory.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank exhibits adequate responsiveness to CD needs in the state through CD loans, qualified investments, and CD services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for CD in the bank's AA.

Number and Amount of Community Development Loans

The CD Loans Table, shown below, sets forth the information and data used to evaluate the bank's level of CD lending. The table includes all CD loans, including multifamily loans that also qualify as CD loans.

Community Development Loans				
Assessment Area	Total			
	#	% of Total #	\$ (000's)	% of Total \$
Indiana Non-MSA	18	100.0	\$ 1,142	100.0

FNBM originated 18 CD loans totaling \$1.1 million. These loans, which supported affordable housing and social services for LMI residents consisted of the following:

- A home mortgage loan that helped a first-time, moderate-income borrower purchase decent affordable housing.
- A loan to Pulaski County Health Foundation for repairs to a 24-unit, low-income housing tax credit project that provides affordable living for seniors or disabled persons.
- Fourteen loans to Pulaski County Human Services, a non-profit organization that assists low-income, disabled, and elderly households.
- A loan to a developer for construction of a 48-unit, low-income housing tax credit project that will consist of apartments and rent-to-own townhomes.
- A temporary loan to North Judson San Pierre School Corporation for the Capital Projects Fund. School lunch data indicates a majority of the students are from low- or moderate-income families.

Number and Amount of Qualified Investments

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$ (000's)	#	\$ (000's)	#	% of Total #	\$ (000's)	% of Total \$	#	\$ (000's)
Indiana Non-MSA	0	\$ 0	17	\$ 527	0	100.0	\$ 527	100.0	0	\$ 0

* Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

** Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

* 'Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

FNBM made seventeen qualified investments totaling approximately \$527,000 during the evaluation period. These investments supported affordable housing for LMI residents, lunches for LMI students, economic development, and minority-owned institutions as follows:

- Two certificates of deposit totaling \$500,000 with minority-owned institutions, Quantum Bank and Central Bank of Kansas.
- Fifteen donations totaling \$27,112 to Pulaski/Starke Habitat for Humanity, four local schools, and Pulaski Soil and Water Conservation.

Extent to Which the Bank Provides Community Development Services

Nine bank employees provided 3,344 hours of service to six different organizations. Furthermore, two bank officers serve in a leadership role. One serves as executive director for Starke/Pulaski Habitat for Humanity and the other as a finance committee member for Starke County Economic Development Foundation. In addition, five bank employees served as instructors for financial education programs where the majority of the attendees were LMI students or their parents.

Appendix A: Scope of Examination

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 MSA(s) and non-MSA(s) 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”.

Time Period Reviewed:	01/01/17 to 12/31/19	
Bank Products Reviewed:	Home mortgage, small business, and small farm loans CD loans, qualified investments, and CD services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None	Not Applicable	Not Applicable
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
State of Indiana		
Indiana Non-MSA	Full Scope	Pulaski County and partial counties of Fulton, Marshall, and Starke

Appendix B: Summary of MMSA and State Ratings

RATINGS First National Bank of Monterey			
	Lending Test Rating*	CD Test Rating	Overall Bank/State/ Multistate Rating
Overall Bank:			
First National Bank of Monterey	Outstanding	Satisfactory	Satisfactory
MMSA or State:			
State of Indiana	Outstanding	Satisfactory	Satisfactory

(*) The Lending Test and Community Development Test carry equal weight in the overall rating.

Appendix C: Definitions and Common Abbreviations

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

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 30th 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 S. Assessment Area 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 assessment area.

- Table T. Assessment Area Distribution of Loans to Farms by Gross Annual Revenues -** 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. Assessment Area 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. Assessment Area 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/assessment area.

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	
Non-MSA	20	1,726	100.0	1,498	0.0	0.0	0.0	14.3	10.0	13.6	85.7	85.0	86.4	0.0	0.0	0.0	0.0	0.0	0.0	
Total	20	1,726	100.0	1,498	0.0	0.0	0.0	14.3	10.0	13.6	85.7	85.0	86.4	0.0	0.0	0.0	0.0	0.0	0.0	

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	
Non-MSA	20	1,726	100.0	1,498	19.8	20.0	9.4	20.9	10.0	23.1	24.4	35.0	21.8	34.8	35.0	32.3	0.0	0.0	13.4	
Total	20	1,726	100.0	1,498	19.8	20.0	9.4	20.9	10.0	23.1	24.4	35.0	21.8	34.8	35.0	32.3	0.0	0.0	13.4	

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		
Non-MSA	20	951	100.0	582	0.0	0.0	0.0	25.1	35.0	18.7	74.9	65.0	81.3	0.0	0.0	0.0	0.0	0.0	0.0		
Total	20	951	100.0	582	0.0	0.0	0.0	25.1	35.0	18.7	74.9	65.0	81.3	0.0	0.0	0.0	0.0	0.0	0.0		

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		
Non-MSA	20	951	100.0	582	82.0	85.0	47.6	4.7	15.0	13.3	0.0		
Total	20	951	100.0	582	82.0	85.0	47.6	4.7	15.0	13.3	0.0		

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 S: Assessment Area Distribution of Loans to Farms by Income Category of the Geography																			2017-19	
Assessment Area:	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	
Non-MSA	20	1,535	100.0	147	0.0	0.0	0.0	2.0	0.0	0.0	98.0	100.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	
Total	20	1,535	100.0	147	0.0	0.0	0.0	2.0	0.0	0.0	98.0	100.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	

*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 T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues												2017-19	
Assessment Area:	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		
Non-MSA	20	1,535	100.0	147	96.8	75.0	60.5	2.2	15.0	1.0	0.0		
Total	20	1,535	100.0	147	96.8	75.0	60.5	2.2	15.0	1.0	0.0		

*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%*