



Office of the  
Comptroller of the Currency  
Washington, DC 20219

# INTERMEDIATE SMALL BANK

## **PUBLIC DISCLOSURE**

September 23, 2019

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

First National Bank of Waterloo  
Charter Number 10180

228 S. Main St.  
Waterloo, IL 62298

Office of the Comptroller of the Currency  
500 North Broadway, Suite 1700  
St. Louis, MO 63102

**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

<b>OVERALL CRA RATING .....</b>	<b>1</b>
<b>DESCRIPTION OF INSTITUTION .....</b>	<b>2</b>
<b>SCOPE OF THE EVALUATION .....</b>	<b>3</b>
<b>DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW .....</b>	<b>4</b>
<b>STATE RATING .....</b>	<b>5</b>
<b>State Of Illinois .....</b>	<b>5</b>
<b>APPENDIX A: SCOPE OF EXAMINATION .....</b>	<b>A-1</b>
<b>APPENDIX B: SUMMARY OF MMSA AND STATE RATINGS .....</b>	<b>B-1</b>
<b>APPENDIX C: DEFINITIONS AND COMMON ABBREVIATIONS .....</b>	<b>C-1</b>
<b>APPENDIX D: TABLES OF PERFORMANCE DATA.....</b>	<b>D-1</b>

## **Overall CRA Rating**

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

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

**The Community Development Test is rated: Outstanding.**

First National Bank of Waterloo's (FNB or bank) Community Reinvestment Act (CRA) performance is satisfactory. We based our conclusions on the bank's lending and community development (CD) activities.

The major factors that support this rating include:

- The bank's quarterly average loan-to-deposit (LTD) ratio is reasonable.
- A substantial majority of loans were originated or purchased within the bank's assessment areas (AA).
- The distribution of loans among borrowers of different income levels reflects reasonable penetration.
- The distribution of loans among geographies reflects reasonable penetration.
- The bank demonstrates excellent responsiveness to the community development needs of its AAs.

## **Loan-to-Deposit Ratio**

Considering the bank's size, financial condition, and credit needs of the AAs, the bank's loan-to-deposit ratio is reasonable.

The bank's quarterly average LTD ratio over the 10 quarters since the previous CRA evaluation (September 30, 2016 through December 31, 2018) is 55.5 percent. The ratio ranged from a high of 63.4 percent at December 31, 2018, to a low of 48.2 percent at September 30, 2016. We compared the bank's average LTD ratio to local competitors, which included eleven banks with branches in the AAs with total assets between \$100 million and \$1 billion. FNB's quarterly average LTD ratio of 55.5 percent compares unfavorably with the quarterly average LTD ratio of 80.6 percent for these similarly situated financial institutions. However, this is primarily due to the bank selling all of its long-term mortgage loans to the secondary market. If the bank had retained those loans, their average LTD ratio during the evaluation period would be 70.6 percent, and within a reasonable range of the quarterly average for the comparable banks.

## **Lending in Assessment Area**

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

The bank originated and purchased 87.4 percent of its total loans by number and 84.8 percent by dollar inside its AAs during the evaluation period. These ratios are bank-wide calculations and not calculated by individual rating area or AA. The table below illustrates the number and dollar volume of loans the FSA originated inside and outside its AA.

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										
2016	413	89.6	48	10.4	461	67,226	90.6	6,969	9.4	74,195
2017	311	85.0	55	15.0	366	46,835	81.3	10,804	18.7	57,639
2018	275	87.6	39	12.4	314	39,462	80.2	9,716	19.8	49,178
<b>Subtotal</b>	<b>999</b>	<b>87.6</b>	<b>142</b>	<b>12.4</b>	<b>1,141</b>	<b>153,523</b>	<b>84.8</b>	<b>27,489</b>	<b>15.2</b>	<b>181,012</b>
Consumer										
2016	9	90.0	1	10.0	10	104	92.0	9	8.0	113
2017	4	80.0	1	20.0	5	119	98.3	2	1.7	121
2018	3	60.0	2	40.0	5	151	74.8	51	25.2	202
<b>Subtotal</b>	<b>16</b>	<b>80.0</b>	<b>4</b>	<b>20.0</b>	<b>20</b>	<b>374</b>	<b>85.8</b>	<b>62</b>	<b>14.2</b>	<b>436</b>
<b>Total</b>	<b>1,015</b>	<b>87.4</b>	<b>146</b>	<b>12.6</b>	<b>1,161</b>	<b>153,897</b>	<b>84.8</b>	<b>27,551</b>	<b>15.2</b>	<b>181,448</b>
<i>Source: Evaluation Period: 1/1/2016 - 12/31/2018 Bank Data Due to rounding, totals may not equal 100.0</i>										

## Description of Institution

First National Bank of Waterloo (FNB) is a single-state community bank headquartered in Waterloo, Illinois (IL). First Waterloo Bancshares, Inc., a holding company also located in Waterloo, IL, holds sole ownership of FNB. As of December 31, 2018, tier one capital totaled \$49.1 million, and FNB held assets totaling \$475 million. Net loans totaled 54 percent of total assets. The loan portfolio is comprised of approximately 89 percent real estate loans, eight percent commercial loans, two percent individual loans, two percent other loans, and less than one percent agricultural loans. FNB's business strategy focuses primarily on originating residential real estate loans and selling them to third party investors.

FNB operates out of 11 branches, with four located in Monroe County, five in St. Clair County, one in Effingham County, and one in Shelby County. The Monroe County branches are located in Waterloo (three) and Columbia. The St. Clair County branches are located in O'Fallon (two), Millstadt, Dupo, and Smithton. The Effingham County and Shelby County branches are located in Effingham and Stewardson, respectively. Each branch has a full-service automated teller machine (ATM), with the exception of the O'Fallon Schnucks Banking Center, which is cash-dispense only. FNB has an additional full-service ATM at the Columbia Marketplace in Columbia, IL. Cash-dispense only ATMs are located in Belleville, Columbia, Freeburg, Red Bud, Millstadt, O'Fallon, and Valmeyer, IL. The Dupo branch opened February 22, 2018 and the Smithton branch opened January 17, 2019. Both branches are within the bank's existing metropolitan statistical area (MSA).

FNB has two AAs. Monroe and St. Clair counties are located in an MSA (St. Louis MSA), while Effingham and Shelby Counties are in a Non-MSA (Illinois Non-MSA). The income geography for Monroe and St. Clair counties include upper, middle, moderate, and low, with branches in middle and upper geographies. Effingham County consists of upper and middle income geographies, with a branch in the upper geography. Shelby County is entirely in a middle income geography. The bank's primary products based on loan

originations and purchases are home mortgage loans and consumer loans in the Illinois Non-MSA and home mortgage loans in the St. Louis MSA.

FNB's last CRA performance evaluation (PE) was on September 6, 2016. Utilizing Intermediate-Small Bank CRA examination procedures, the OCC concluded that FNB's performance was "Satisfactory." There are no legal, financial, or other factors impeding the bank's ability to help meet the credit needs in the AAs.

## **Scope of the Evaluation**

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

The scope of this evaluation includes an assessment of FNB under the Intermediate Small Bank performance criteria, which consists of a Lending Test and a CD Test. The Lending Test evaluates the bank's record of meeting the credit needs of the bank's AAs through its lending activities. The CD Test evaluates the bank's responsiveness to CD needs in its AAs through qualified CD lending, investments and donations, and services.

Conclusions regarding the Lending Test are based on samples of consumer loans and Home Mortgage Disclosure Act (HMDA) data for residential real estate (RRE) loans. Our consumer loan sample consists of loans originated from the as-of date of the previous PE, January 1, 2016 through December 31, 2018. HMDA loans included in the analysis originated during the same time period. We conducted a data integrity review of the RRE loans reported under HMDA and found the data to be accurate and reliable. Conclusions regarding the CD Test are based on the bank's CD activities during the same period.

We completed two separate analyses of the bank's lending performance. For the bank's 2016 lending performance, we used the comparators of demographic data from the 2010 United States (U.S.) Census. For the bank's 2017 and 2018 lending performance, we used the comparators of demographic data from the 2015 American Community Survey (ACS).

### **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 assessment areas located within the same 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 for a list of full- and limited-scope AAs.

### **Ratings**

The bank's overall rating is a blend of the state rating.

The bank has one MSA AA and one Non-MSA AA within Illinois. The St. Louis MSA consists of Monroe and St. Clair counties. The Illinois Non-MSA consists of Effingham and Shelby counties. We placed more emphasis on the St. Louis MSA since the bank's lending and deposit activity in the St. Louis MSA greatly exceeds activity in the Illinois Non-MSA.

The state ratings are based on performance in all bank AAs. Refer to the "Scope" section under the State 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 Community Development Test is rated:** Outstanding

The major factors that support this rating include:

- The bank's quarterly average LTD ratio is reasonable.
- A substantial majority of loans were originated or purchased within the bank's AAs.
- The distribution of loans among borrowers of different income levels reflects reasonable penetration.
- The distribution of loans among geographies reflects reasonable penetration.
- The bank demonstrates excellent responsiveness to the community development needs of its AAs.

## **Description of Institution's Operations in Illinois**

FNB has two AAs in Illinois, an MSA AA that includes all of Monroe and St. Clair Counties in Illinois and a Non-MSA AA that includes all of Effingham and Shelby Counties in Illinois. FNB's MSA AA represents a section of the St. Louis, MO-IL (St. Louis) MSA 41180. The prior performance evaluation did not include an evaluation of operations in the Non-MSA AA due to the timing of the bank's purchase of another institution compared to the performance evaluation timing. The prior performance evaluation was dated September 6, 2016. The bank acquired Prairie National Bank on January 31, 2015 and merged operations with the purchased bank July 31, 2015. Both of the bank's AAs conform to regulatory requirements and include the geographies where the bank's main office, branches, and deposit-taking ATMs are located.

FNB's deposits total \$406 million as of December 31, 2018. FNB is the second largest deposit-taking institution in Monroe and St. Clair Counties with a 7.4 percent market share based upon FDIC deposit data as of June 30, 2019. FNB is the thirteenth largest deposit-taking institution in Effingham and Shelby Counties with a 1.6 percent market share based on the same data source.

Competition for financial services is strong in Monroe and St. Clair Counties, as 30 other financial institutions have a presence within both counties. The five largest financial institutions in both counties by deposit market share, excluding FNB, are Regions Bank (15.7 percent), Citizens Community Bank (6.7 percent), Associated Bank, N.A. (6.2 percent), The Bank of Edwardsville (6.2 percent), and First Bank (6.0 percent).

Competition for financial services is also strong in Effingham and Shelby Counties, as 16 other financial institutions have a presence within both counties. The five largest financial institutions in both counties by deposit market share are Midland States Bank (25.2 percent), Dieterich Bank (16.5 percent), Washington

Savings Bank (10.4 percent), Shelby County State Bank (9.5 percent), and Teutopolis State Bank (9.3 percent).

See below for detailed descriptions of the full-scope AAs reviewed during this CRA evaluation. The bank has nine full-service locations, including the main office, and nine deposit-taking ATMs in the St. Louis MSA. The bank has two branches and two deposit-taking ATMs in the Illinois Non-MSA. All branches and deposit-taking ATMs are located in upper and middle income CTs, respectively.

### **Community Contact**

As part of this CRA evaluation, we conducted one interview with a representative from a local community development organization that provides services to low-to-moderate income (LMI) individuals in Effingham and Shelby Counties. The contact identified affordable housing opportunities and financial literacy as the primary banking needs in the community. Additionally, we reviewed another community contact servicing St. Clair County affordable housing needs. The contact identified the need for more bank products catered to borrowers with imperfect credit, allowing for affordable home mortgages to individuals who could not otherwise afford financing costs. In general, local financial institutions are adequately meeting the credit and community development needs of the communities.

**St. Louis MSA**

<b>Table A – Demographic Information of the Assessment Area 2016</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	66	22.7	13.6	39.4	24.2	0.0
Population by Geography	303,013	13.3	13.4	46.0	27.3	0.0
Housing Units by Geography	128,199	15.0	13.7	46.6	24.7	0.0
Owner-Occupied Units by Geography	79,906	9.7	11.5	47.7	31.0	0.0
Occupied Rental Units by Geography	35,569	22.4	16.9	46.0	14.6	0.0
Vacant Units by Geography	12,724	27.2	18.2	41.4	13.1	0.0
Businesses by Geography	13,280	9.2	14.2	49.8	26.8	0.0
Farms by Geography	736	1.6	4.3	54.6	39.4	0.0
Family Distribution by Income Level	78,491	24.8	16.9	20.7	37.6	0.0
Household Distribution by Income Level	115,475	27.0	15.8	17.6	39.5	0.0
2016 FFIEC Updated MSA Median Family Income		\$70,000	Median Housing Value			\$132,685
			Median Gross Rent			\$722
			Families Below Poverty Level			11.2%
<i>Source: 2010 U.S. Census and 2016 D&amp;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.</i>						

<b>Table A – Demographic Information of the Assessment Area 2017-2018</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	66	25.8	15.2	34.8	24.2	0.0
Population by Geography	300,568	16.8	13.3	43.3	26.7	0.0
Housing Units by Geography	131,627	18.3	14.8	43.4	23.6	0.0
Owner-Occupied Units by Geography	78,207	11.1	11.3	47.1	30.6	0.0
Occupied Rental Units by Geography	36,759	28.0	18.8	39.3	13.9	0.0
Vacant Units by Geography	16,661	30.6	22.4	35.2	11.8	0.0
Businesses by Geography	13,512	12.1	14.7	47.8	25.3	0.0
Farms by Geography	704	3.3	4.0	56.4	36.4	0.0
Family Distribution by Income Level	76,943	25.3	16.8	18.8	39.1	0.0
Household Distribution by Income Level	114,966	27.4	16.5	15.9	40.3	0.0
2018 FFIEC Updated MSA Median Family Income		\$76,600	Median Housing Value			\$127,464
			Median Gross Rent			\$809
			Families Below Poverty Level			13.3%
<i>Source: 2015 ACS Census and 2018 D&amp;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.</i>						

The St. Louis MSA includes all of Monroe and St. Clair Counties. According to the U.S. Department of Labor, Bureau of Labor Statistics (BLS) report, the unemployment rates for Monroe and St. Clair counties as of December 2018 were 3.5 and 5 percent respectively. As of December 2018, the state of Illinois reported an unemployment rate of 4.3 percent. Major industries in Monroe County and St. Clair County consist of healthcare and social assistance, manufacturing, and retail trade. Major employers in Monroe County include Luhr Bros (construction), Waterloo Community Unit School District #5 (education), and Monroe County (government and public). Major employers in St. Clair County include Scott Air Force Base (military), Memorial Hospital (healthcare), and St. Elizabeth Hospital (healthcare). Based on 2016 FFIEC Updated MSA Median Family Income data, the median family income for the AA was \$70,000. According to the 2010 U.S. Census, the level of families living below the poverty level was 11.2 percent. Low-income households totaled 27 percent and moderate-income households totaled 15.8 percent. The median housing value for the AA was \$132,685.

Based on 2018 FFIEC Updated MSA data, the median family income for the AA was \$76,600. According to the 2015 ACS Census, the level of families living under the poverty level was 13.3 percent. Low-income households totaled 27.4 percent and moderate-income households totaled 16.5 percent. The median housing value for the AA was \$127,464.

Assuming a 30-year mortgage with a five percent interest rate, and not accounting for down payment, homeowners insurance, real estate taxes, or any additional monthly expenses, a low-income borrower making \$38,300 per year (or less than 50 percent of the 2018 FFIEC adjusted median family income in the AA) could afford a \$178,365 mortgage with a payment of \$958 per month. This illustrates that low-income borrowers would be challenged to qualify for a mortgage loan in the AA with an estimated payment of \$1,073. The median housing list price in the AA was \$155,100 and \$199,950 in 2016 and 2018 reflecting a 28.9 percent change over the evaluation period according to Realtor.com data.

**Illinois Non-MSA**

<b>Table A – Demographic Information of the Assessment Area 2016</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	14	0.0	0.0	78.6	21.4	0.0
Population by Geography	56,605	0.0	0.0	74.3	25.7	0.0
Housing Units by Geography	24,832	0.0	0.0	75.0	25.0	0.0
Owner-Occupied Units by Geography	17,821	0.0	0.0	72.8	27.2	0.0
Occupied Rental Units by Geography	4,676	0.0	0.0	82.8	17.2	0.0
Vacant Units by Geography	2,335	0.0	0.0	76.0	24.0	0.0
Businesses by Geography	3,289	0.0	0.0	74.8	25.2	0.0
Farms by Geography	440	0.0	0.0	72.5	27.5	0.0
Family Distribution by Income Level	15,106	17.7	15.0	24.1	43.2	0.0
Household Distribution by Income Level	22,497	21.5	16.0	17.8	44.7	0.0
FFIEC Updated MSA Median Family Income		\$58,000	Median Housing Value			\$99,495
			Median Gross Rent			\$555
			Families Below Poverty Level			7.8%

Source: 2010 U.S. Census and 2016 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.

<b>Table A – Demographic Information of the Assessment Area 2017-2018</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	14	0.0	0.0	71.4	28.6	0.0
Population by Geography	56,447	0.0	0.0	67.3	32.7	0.0
Housing Units by Geography	25,177	0.0	0.0	69.1	30.9	0.0
Owner-Occupied Units by Geography	17,923	0.0	0.0	65.6	34.4	0.0
Occupied Rental Units by Geography	4,451	0.0	0.0	80.4	19.6	0.0
Vacant Units by Geography	2,803	0.0	0.0	73.5	26.5	0.0
Businesses by Geography	3,383	0.0	0.0	68.9	31.1	0.0
Farms by Geography	382	0.0	0.0	62.0	38.0	0.0
Family Distribution by Income Level	15,333	17.7	17.6	22.6	42.1	0.0
Household Distribution by Income Level	22,374	20.4	16.3	17.8	45.5	0.0
FFIEC Updated MSA Median Family Income		\$63,900	Median Housing Value			\$111,018
			Median Gross Rent			\$580
			Families Below Poverty Level			7.5%

Source: 2015 ACS Census and 2018 D&B Data  
Due to rounding, totals may not equal 100.0  
(\* ) The NA category consists of geographies that have not been assigned an income classification.

The Illinois Non-MSA includes all of Effingham and Shelby Counties. According to the BLS report, the unemployment rates for Effingham and Shelby counties as of December 2018 were 3.7 and 4.3 percent respectively. As of December 2018, the state of Illinois reported an unemployment rate of 4.3 percent. Major industries in Effingham County and Shelby County are healthcare and social assistance, manufacturing, and retail trade. Major employers in Effingham County include Quad Graphics (manufacturing), HSHS St. Anthony's Memorial Hospital (healthcare), and Sherwin-Williams Company (distribution). In Shelby County, major employers include International Paper (manufacturing), Shelby Memorial Hospital (healthcare), and Shelbyville School District C.U.S.D. #4 (education). Based on 2016 FFIEC Updated MSA Median Family Income data, the median family income for the AA was \$58,000. According to the 2010 U.S. Census, the level of families living below the poverty level was 7.8 percent. Low-income households totaled 21.5 percent and moderate-income households totaled 16 percent. The median housing value for the AA was \$99,495.

Based on 2018 FFIEC Updated MSA data, the median family income for the AA was \$63,900. According to the 2015 ACS Census, the level of families living under the poverty level was 7.5 percent. Low-income households totaled 20.4 percent and moderate-income households totaled 16.3 percent. The median housing value for the AA was \$111,018.

### **Scope of Evaluation in Illinois**

We conducted full-scope reviews of the St. Louis MSA and the Illinois Non-MSA to assess the bank's record of meeting the credit needs of its community. The St. Louis MSA includes Monroe and St. Clair Counties. These counties were combined, analyzed, and presented as one AA for the purposes of this evaluation. The Illinois Non-MSA includes Effingham and Shelby Counties. These counties were combined, analyzed, and presented as one AA for purposes of this evaluation. Home mortgage and consumer loans are the bank's primary lending products and were evaluated under the Lending Test. We analyzed lending activity in full-year increments during the evaluation period, January 1, 2016 to December 31, 2018. The review included all home mortgage loans reported in the HMDA Loan Application Registers for 2016, 2017, and 2018. We completed transaction testing on a random sample of 20 consumer loans originated in 2016 and 20 consumer loans originated in 2017-2018 in the Illinois Non-MSA only. We selected the St. Louis MSA for a full-scope review due to the volume of lending and deposits within the AA. We selected the Illinois Non-MSA for full-scope review since the prior performance evaluation did not include an assessment of the bank's CRA performance in the AA. There was insufficient data to assess the bank's performance in the AA in the September 6, 2016 performance evaluation since FNB had only just merged operations with Prairie National Bank on July 31, 2015.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN ILLINOIS**

### **LENDING TEST**

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

Based on full scope reviews, the bank's lending performance in the state of Illinois is reasonable.

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

The bank exhibits reasonable geographic distribution of loans in the state.

The analysis of the geographic distribution of loans focused solely on home mortgage lending in the St. Louis MSA. No analysis of consumer loans was completed for the MSA, as it is not a primary product. There are no low-income or moderate-income CTs in the Illinois Non-MSA, therefore no analysis of the geographic distribution of home mortgage or consumer loans in the Non-MSA was completed.

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

We reviewed summary reports and maps and analyzed FNB's lending activity over the evaluation period to identify any gaps in the geographic distribution of loans. We did not identify any unexplained conspicuous gaps.

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

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

The bank exhibits reasonable geographic distribution of home mortgage loans in the AAs.

#### **St. Louis MSA**

##### **2016**

The bank's lending to LMI borrowers in 2016 in the St. Louis MSA reflects poor distribution.

There were no loans originated by the bank in the low-income CTs.

The bank originated 3.2 percent of its home mortgage loans in moderate-income tracts. This is well below the percentage of owner-occupied housing units located within the CT (11.5 percent), but within a reasonable range of the aggregate level of lending in the same CT (5.7 percent).

##### **2017-2018**

The bank's lending to LMI borrowers in 2017-2018 in the St. Louis MSA reflects reasonable distribution.

The bank originated 0.8 percent of home mortgage loans to low-income tracts. This is well below the percentage of owner-occupied housing units located within the CT (11.1 percent) but exceeds the aggregate level of lending in the same CT (0.6 percent).

The bank originated 6 percent of the loans to moderate-income tracts. This is well below the percentage of owner-occupied housing units located within the CT (11.3 percent) but within a reasonable range of the aggregate level of lending in the same CT (8.4 percent).

In assessing the reasonableness of the bank's geographic distribution of home mortgage loans, we considered the significant level of competition the bank faces in the St. Louis MSA. Based on peer mortgage data, 316 lenders competed for 10,454 mortgage loans in 2016; 303 lenders competed for 9,010 mortgage loans in 2017; and, 315 lenders competed for 8,480 loans in 2018.

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

The bank exhibits a reasonable distribution of loans to individuals of different income levels given the product lines offered by the bank.

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

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

The bank exhibits reasonable distribution of home mortgage loans to individuals of different income levels in the AAs.

### **Illinois Non-MSA**

#### **2016**

The bank's home mortgage lending to LMI borrowers in 2016 in the Illinois Non-MSA is reasonable.

The bank originated 11.8 percent of its home mortgage loans to low-income borrowers. While the bank's percentage is below the percentage of low-income families (17.7 percent) in the AA, the bank's percentage significantly exceeds the 2016 HMDA aggregate data for home mortgage lending to low-income families in the same AA (6.6 percent).

The bank originated 17.6 percent of its home mortgage loans to moderate-income borrowers. This exceeds the percentage of moderate-income families (15 percent) in the same AA, and is within a reasonable range below the 2016 HMDA aggregate data for home mortgage lending to moderate-income borrowers (20.1 percent).

#### **2017-2018**

The bank's home mortgage lending to LMI borrowers in 2017-2018 in the Illinois Non-MSA is reasonable.

The bank originated 16.7 percent of its home mortgage loans to low-income borrowers. This is within a reasonable range of the percentage of low-income families (17.7 percent) in the AA, and significantly exceeds the 2018 HMDA aggregate lending to low-income families (7.6 percent) in the same AA.

The bank originated 16.7 percent of its home mortgage loans to moderate-income borrowers. This falls within a reasonable range of both the percentage of moderate-income families (17.6 percent) and the 2018 HMDA aggregate lending to moderate-income borrowers (17.1 percent).

### St. Louis-MSA

#### 2016

The bank's home mortgage lending to low-income borrowers in 2016 in the St. Louis MSA is poor, and lending to moderate-income borrowers is reasonable.

The bank originated 3.7 percent of its home mortgage loans to low-income borrowers. This is significantly below the percentage of low-income families (24.8 percent) in the AA, and is also below the 2016 HMDA aggregate data (5.9 percent), in the same AA.

The bank originated 15 percent of its home mortgage loans to moderate-income borrowers. This falls within a reasonable range below the percentage of low-income families (16.9 percent), and exceeds the 2016 HMDA aggregate lending to moderate-income borrowers (14.4 percent).

#### 2017-2018

The bank's home mortgage lending to LMI borrowers in 2017–2018 in the St. Louis MSA is reasonable.

The bank originated 6.2 percent of its home mortgage loans to low-income borrowers. This falls significantly below the percentage of low-income families (25.3 percent) in AA, but is within a reasonable range of the 2018 HMDA aggregate data (6.5 percent), in the same AA.

The bank's lending to moderate-income borrowers in the St. Louis MSA is reasonable. The bank originated 16 percent of its home mortgage loans to moderate-income borrowers. This falls with a reasonable range below the percentage of moderate-income families (16.8 percent), and exceeds the 2018 HMDA aggregate lending to moderate-income borrowers (13.7 percent).

We noted the number of families below the poverty line may limit lending opportunities, as residents of limited income may encounter difficulty meeting credit underwriting standards. In the Illinois Non-MSA, 7.8 percent of families in 2016 and 7.5 percent of families in 2017-2018 were below the poverty level. In the St. Louis MSA, 11.2 percent of families in 2016 and 13.3 percent of families in 2017-2018 were below the poverty level. We also considered the median price of housing in the AAs relative to the maximum income of LMI borrowers, which may demonstrate a barrier to homeownership. Refer to the A Tables for more details on the median price of housing.

### ***Consumer Loans***

Refer to Table V in Appendix D for the facts and data used to evaluate the borrower distribution of the bank's consumer loan originations and purchases.

The bank exhibits excellent distribution of consumer loans to individuals of different income levels in the Illinois Non-MSA.

Illinois Non-MSA

2016

The bank's consumer lending to LMI borrowers in 2016 in the Illinois Non-MSA is excellent.

The bank originated 25 percent of its consumer loans to low-income borrowers. This exceeds the percentage of low-income households (21.5 percent) in the AA.

The bank originated 35 percent of its consumer loans to moderate-income borrowers. This significantly exceeds the percentage of moderate-income households (16.0 percent) in the AA.

2017-2018

The bank's consumer lending to LMI borrowers in 2017–2018 in the Illinois Non-MSA is reasonable.

The bank originated 25 percent of its consumer loans to low-income borrowers. This exceeds the percentage of low-income households (20.4 percent) in the AA.

The bank originated 15 percent of its consumer loans to moderate-income borrowers. This falls within a reasonable range below the percentage of moderate-income households (16.3 percent) in the AA.

We considered that with 7.8 and 7.5 percent of households below the poverty level in the Illinois Non-MSA in 2016 and 2017-2018, respectively, lending opportunities may be limited, as residents of limited income may encounter difficulty meeting credit-underwriting standards.

**Responses to Complaints**

FNB has not received any complaints about its performance in helping to meet the AAs' credit needs during the evaluation period.

## COMMUNITY DEVELOPMENT TEST

The bank's performance under the Community Development Test in the state of Illinois is rated Outstanding.

Based on a full scope review, the bank exhibits excellent responsiveness to community development needs in the St. Louis MSA and Illinois Non-MSA through community development loans, qualified investments, and community development services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's assessment area(s). CD activities in the St. Louis MSA received more weight, as the majority of the bank's loans, deposits, and branches are located there. To provide perspective regarding the relative level of qualified CD loans and investments, we allocated a portion of the bank's tier one capital to each AA based on the percentage of the bank's deposits located in the respective AA as a means of comparative analysis.

During the evaluation period, CD activities in the St. Louis MSA totaled \$10.5 million and represent 23.6 percent of allocated tier one capital (\$44.5 million) as of December 31, 2018. CD activities in the Illinois Non-MSA totaled \$783,000 and represent 17 percent of allocated tier one capital (\$4.6 million) as of December 31, 2018.

As a result of the bank's responsiveness to the CD needs of its AAs, consideration was given for CD activities outside of the bank's AAs totaling \$7.7 million benefiting the broader St. Louis MO-IL MSA #41180 regional area.

Overall, the bank provided CD activities during the evaluation period totaling \$19 million, representing 38.7 percent of total tier one capital (\$49.1 million) as of December 31, 2018.

### Number and Amount of Community Development Loans

Community Development Lending by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
St. Louis MSA	35	4,968	1	80	2	1,240	1	80	39	6,368
Illinois Non-MSA	7	783	-	-	-	-	-	-	7	783
<b>Subtotal</b>	<b>42</b>	<b>5,751</b>	<b>1</b>	<b>80</b>	<b>2</b>	<b>1,240</b>	<b>1</b>	<b>80</b>	<b>46</b>	<b>7,151</b>
Regional	2	323	1	833	2	2,220	-	-	5	3,376
<b>Total</b>	<b>44</b>	<b>6,074</b>	<b>2</b>	<b>913</b>	<b>4</b>	<b>3,460</b>	<b>1</b>	<b>80</b>	<b>51</b>	<b>10,527</b>

Source: Bank Data  
Due to rounding, totals may not equal

### St. Louis MSA

FNB's level of community development lending provided excellent responsiveness to community credit needs in the St. Louis MSA. The bank originated 39 CD loans totaling \$6.4 million during the evaluation period. This represents 14.4 percent of the AA's allocated tier one capital (\$44.5 million) as of December 31, 2018. CD loans consisted of the following:

- FNB originated 35 CD loans totaling \$4.9 million for the purchase or refinance of single- and/or multi-family rental properties providing affordable housing for low- and moderate-income residents throughout the AA.
- FNB originated two CD loans totaling \$1.2 million that promoted economic development through financing small businesses. A mix of approximately 100 full and part time jobs were created for low- or moderate-income persons.
- FNB originated one CD loan totaling \$80,000 to a nonprofit organization that provides assistance for combat veterans and their families with limited resources.
- FNB originated one CD loan for the purchase and renovation of a building to provide community services. The building is located in a low-income census tract and within HUD's St. Louis-East St. Louis Urban Round II Empowerment Zone targeted for community renewal.

### Illinois Non-MSA

FNB's level of community development lending provided excellent responsiveness to community credit needs in the Illinois Non-MSA. The bank originated seven CD loans totaling \$783,000 during the evaluation period. This represents 17 percent of the AA's allocated tier one capital (\$4.6 million) as of December 31, 2018. CD loans consisted of the following:

- FNB originated seven CD loans totaling \$783,000 for the purchase or refinance of single- and/or multi-family rental properties providing affordable housing for low- and moderate-income residents throughout the AA.

### Regional Activities

The bank originated five CD loans totaling \$3.4 million in the greater St. Louis MO-IL MSA # 41180 during the evaluation period. This represents 6. percent of the bank's total tier one capital (\$49.1 million) as of December 31, 2018. CD loans consisted of the following:

- FNB originated two CD loans totaling \$323,000 for the purchase or refinance of single- and/or multi-family rental properties providing affordable housing for low- and moderate-income residents located in St. Louis County.
- FNB originated one CD loan totaling \$833,000 to a healthcare facility located in a low-income CT in Madison County for renovations and to purchase equipment. Seventy percent of the facilities revenue comes from government-funded programs (approximately 50 percent from Medicaid) and/or grants.
- FNB originated two CD loans totaling \$2.2 million that promoted economic development through financing small businesses. This facilitated the retention of approximately 20 jobs for low- and moderate-income persons in St. Louis City.

## 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)
St. Louis MSA	5	2,518	4	1,620	9	45.0	4,138	48.6	-	-
Illinois Non-MSA	-	-	-	-	-	-	-	-	-	-
Regional	11	4,371	-	-	11	55.0	4,371	51.4	-	-

\* 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.

### St. Louis MSA

FNB's level of qualified investments provided adequate responsiveness to community needs and opportunities in the St. Louis MSA. Qualified investments consisted of \$2.5 million in prior-period investments, \$1.6 million in current-period investments, and approximately \$10,000 in donations; for a total of \$4.1 million during the evaluation period. This represents 9.3 percent of the AA's allocated tier one capital (\$44.5 million) as of December 31, 2018. Qualified investments consisted of the following:

- FNB purchased three bonds totaling \$1.6 million, from two school districts located in St. Clair County during the evaluation period and retained an additional \$2 million in school district bonds purchased prior to the evaluation period. These bonds provided critical funding for school districts where a majority of students qualify for free or reduced-price meals under the U.S. Department of Agriculture National School Lunch Program<sup>1</sup>.
- FNB retained \$504,202 of a mortgage-backed security consisting of a pool of 16 loans originated to low- and moderate-income borrowers.
- FNB donated \$9,640 to 19 non-profit organizations that provide an array of community services primarily for low- and moderate-income individuals. These organizations supported food donations, healthcare, temporary shelter for homeless and/or abused individuals, counseling for children and families, and educational and social outreach.

### Illinois Non-MSA

FNB's level of qualified investments provided adequate responsiveness to community needs and opportunities in the Illinois Non-MSA. Qualified investments were limited to donations of approximately \$12,000 to three non-profit organizations that provide community services primarily for low- and moderate-income individuals. Based on our interview with a local community development organization, the greatest needs in Effingham and Shelby counties are affordable housing and financial literacy. Strong competition exists for those qualified investments that are available in the Illinois Non-MSA. As of June 30, 2018, there were seven financial institutions (including FNB) in the AA, five of which are larger in total asset size and have a larger deposit market share than FNB. The vast majority of qualified investments in the AA are isolated to a few of the larger institutions, based on a review of recent CRA PEs.

<sup>1</sup> Low-income children are eligible to receive reduced-price or free meals at school. Children in households with incomes below 130 percent of the poverty level or those receiving SNAP or TANF qualify for free meals. Those with family incomes between 130 and 185 percent of the poverty line qualify for reduced-price meals.

### Regional Activities

The bank had qualified investments in the greater St. Louis MO-IL MSA # 41180 consisting of \$4.4 million in prior-period investments. This represents 8.9 percent of the bank's total tier one capital (\$49.1 million) as of December 31, 2018. Qualified investments consisted of the following:

- FNB retained eleven bonds totaling \$4.4 million, from four school districts located in Madison County during the evaluation period. These bonds provided critical funding for school districts where a majority of students qualify for free or reduced-price meals under the U.S. Department of Agriculture National School Lunch Program<sup>1</sup>.

### **Extent to Which the Bank Provides Community Development Services**

#### St. Louis MSA

FNB provided an adequate level of CD services to the St. Louis MSA during the evaluation period. Bank staff provided qualified services to various community and non-profit organizations, and to several local school districts.

FNB complements its traditional service delivery methods with certain alternative delivery processes including online banking, mobile banking, telephone banking, text banking, mobile deposits, bank-to-bank transfers, and ATMs. These delivery methods provide increased access to banking services throughout all AAs. We did not place significant weight on these alternative delivery systems because management does not maintain metrics to determine their effectiveness in helping to meet the service and credit needs of LMI individuals.

#### Illinois Non-MSA

FNB provided an adequate level of CD services to the Illinois Non-MSA during the evaluation period. Bank staff provided qualified services to various community and non-profit organizations, and to several local school districts.

FNB complements its traditional service delivery methods with certain alternative delivery processes including online banking, mobile banking, telephone banking, text banking, mobile deposits, bank-to-bank transfers, and ATMs. These delivery methods provide increased access to banking services throughout all AAs. We did not place significant weight on these alternative delivery systems because management does not maintain metrics to determine their effectiveness in helping to meet the service and credit needs of LMI individuals.

## 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 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”.

<b>Time Period Reviewed:</b>	1/1/16-12/31/18	
<b>Bank Products Reviewed:</b>	Home mortgage loans, consumer loans, community development loans, qualified investments, community development services	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
None	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>Illinois</b>		
St. Louis MSA	Full-scope	Monroe and St. Clair Counties
Non-MSA	Full-scope	Effingham and Shelby Counties

## Appendix B: Summary of MMSA and State Ratings

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<b>RATINGS First National Bank of Waterloo</b>			
<b>Overall Bank:</b>	<b>Lending Test Rating*</b>	<b>CD Test Rating</b>	<b>Overall Bank/State/Multistate Rating</b>
First National Bank of Waterloo	Satisfactory	Outstanding	Satisfactory
<b>State:</b>			
Illinois	Satisfactory	Outstanding	Satisfactory

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

## 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 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																			2016
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
Illinois Non-MSA	34	4,577	8.2	938	0.0	0.0	0.0	0.0	0.0	0.0	72.8	58.8	64.3	27.2	41.2	35.7	0.0	0.0	0.0
St. Louis MSA	379	62,649	91.8	10,454	9.7	0.0	0.7	11.5	3.2	5.7	47.7	30.1	50.4	31.0	66.8	43.1	0.0	0.0	0.0
<b>Total</b>	<b>413</b>	<b>67,226</b>	<b>100.0</b>	<b>11,392</b>	<b>8.0</b>	<b>0.0</b>	<b>0.7</b>	<b>9.4</b>	<b>2.9</b>	<b>5.3</b>	<b>52.3</b>	<b>32.4</b>	<b>51.6</b>	<b>30.3</b>	<b>64.6</b>	<b>42.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Source: 2010 U.S Census; 01/01/2016 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0

Table O : Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2017-18
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
Illinois Non-MSA	66	7,851	11.3	263	0.0	0.0	0.0	0.0	0.0	0.0	65.6	62.1	49.4	34.4	37.9	50.6	0.0	0.0	0.0
St. Louis MSA	520	78,446	88.7	474	11.1	0.8	0.6	11.3	6.0	8.4	47.1	48.1	52.3	30.6	45.2	38.6	0.0	0.0	0.0
<b>Total</b>	<b>586</b>	<b>86,297</b>	<b>100.0</b>	<b>737</b>	<b>9.0</b>	<b>0.7</b>	<b>0.4</b>	<b>9.2</b>	<b>5.3</b>	<b>5.4</b>	<b>50.5</b>	<b>49.7</b>	<b>51.3</b>	<b>31.3</b>	<b>44.4</b>	<b>42.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Source: 2015 ACS Census; 01/01/2017 - 12/31/2018 Bank Data, 2018 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0

<b>Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower</b>																			<b>2016</b>
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
Illinois Non-MSA	34	4,577	8.2	938	17.7	11.8	6.6	15.0	17.6	20.1	24.1	17.6	22.5	43.2	52.9	39.9	0.0	0.0	10.9
St. Louis MSA	379	62,649	91.8	10,454	24.8	3.7	5.9	16.9	15.0	14.4	20.7	16.9	19.6	37.6	56.5	34.9	0.0	7.9	25.3
<b>Total</b>	<b>413</b>	<b>67,226</b>	<b>100.0</b>	<b>11,392</b>	<b>23.6</b>	<b>4.4</b>	<b>6.0</b>	<b>16.6</b>	<b>15.3</b>	<b>14.9</b>	<b>21.2</b>	<b>16.9</b>	<b>19.8</b>	<b>38.5</b>	<b>56.2</b>	<b>35.3</b>	<b>0.0</b>	<b>7.3</b>	<b>24.1</b>

*Source: 2010 U.S Census; 01/01/2016 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0*

<b>Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower</b>																			<b>2017-18</b>
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
Illinois Non-MSA	66	7,851	11.3	263	17.7	16.7	7.6	17.6	16.7	17.1	22.6	24.2	23.2	42.1	37.9	49.0	0.0	4.5	3.0
St. Louis MSA	520	78,446	88.7	474	25.3	6.2	6.5	16.8	16.0	13.7	18.8	23.7	21.7	39.1	41.0	43.5	0.0	13.3	14.6
<b>Total</b>	<b>586</b>	<b>86,297</b>	<b>100.0</b>	<b>737</b>	<b>24.0</b>	<b>7.3</b>	<b>6.9</b>	<b>17.0</b>	<b>16.0</b>	<b>14.9</b>	<b>19.4</b>	<b>23.7</b>	<b>22.3</b>	<b>39.6</b>	<b>40.6</b>	<b>45.5</b>	<b>0.0</b>	<b>12.3</b>	<b>10.4</b>

*Source: 2015 ACS Census; 01/01/2017 - 12/31/2018 Bank Data, 2018 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0*

Table U: Assessment Area Distribution of Consumer Loans by Income Category of the Geography													2016	
Assessment Area:	Total Consumer Loans			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts		
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	
Illinois Non-MSA	20	195	0.0	0.0	0.0	0.0	0.0	74.9	80.0	25.2	20.0	0.0	0.0	
<i>Source: 2010 U.S Census; 01/01/2016 - 12/31/2016 Bank Data.                      Due to rounding, totals may not equal 100.0</i>														

Table U: Assessment Area Distribution of Consumer Loans by Income Category of the Geography													2017-2018	
Assessment Area:	Total Consumer Loans			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts		
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	
Illinois Non-MSA	20	403	0.0	0.0	0.0	0.0	0.0	68.6	80.0	31.4	20.0	0.0	0.0	
<i>Source: 2015 ACS Census; 01/01/2017 - 12/31/2018 Bank Data.                      Due to rounding, totals may not equal 100.0</i>														

Table V - Assessment Area Distribution of Consumer Loans by Income Category of the Borrower													2016
Assessment Area:	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income Borrowers	
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans
Illinois Non-MSA	20	195	100.0	21.5	25.0	16.0	35.0	17.8	10.0	44.7	30.0	0.0	0.0
<b>Total</b>	<b>20</b>	<b>195</b>	<b>100.0</b>	<b>21.5</b>	<b>25.0</b>	<b>16.0</b>	<b>35.0</b>	<b>17.8</b>	<b>10.0</b>	<b>44.7</b>	<b>30.0</b>	<b>0.0</b>	<b>0.0</b>

*Source: 2010 U.S Census; 01/01/2016 - 12/31/2016 Bank Data.  
Due to rounding, totals may not equal 100.0*

Table V - Assessment Area Distribution of Consumer Loans by Income Category of the Borrower													2017-18
Assessment Area:	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income Borrowers	
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans
Illinois Non-MSA	20	403	100.0	20.4	25.0	16.3	15.0	17.8	10.0	45.5	50.0	0.0	0.0
<b>Total</b>	<b>20</b>	<b>403</b>	<b>100.0</b>	<b>20.4</b>	<b>25.0</b>	<b>16.3</b>	<b>15.0</b>	<b>17.8</b>	<b>10.0</b>	<b>45.5</b>	<b>50.0</b>	<b>0.0</b>	<b>0.0</b>

*Source: 2015 ACS Census; 01/01/2017 - 12/31/2018 Bank Data.  
Due to rounding, totals may not equal 100.0*