



**PUBLIC DISCLOSURE**

March 30, 2020

**COMMUNITY REINVESTMENT ACT  
PERFORMANCE EVALUATION**

Legacy National Bank  
Charter Number 24573

4055 West Sunset Avenue  
Springdale, AR 72762

Office of the Comptroller of the Currency

Little Rock Field Office  
Victory Building  
1401 West Capitol Avenue, Suite 350  
Little Rock, AR 72201 Address

**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 **Outstanding**.

**The lending test is rated: Outstanding.**

**The community development test is rated: Outstanding.**

The major factors that support this rating include:

- The Lending Test rating is based on a full scope review of the bank's performance in its one assessment area (AA) in the state of Arkansas - the Fayetteville-Springdale-Rogers, Arkansas metropolitan statistical area (MSA).
- The loan-to-deposit (LTD) is more than reasonable.
- Small business income and geographical distributions are excellent. The bank's volume of small business lending out-performs the percentage of small businesses with gross annual revenues of less than \$1 million.
- A substantial majority of the bank's loans originated inside its AA, with 94.9 percent by number and 95.0 percent by dollar volume originated in the AA during the evaluation period.
- Community development (CD) activities, including lending, investing and donating, and serving reflect excellent responsiveness to CD needs of the bank's AA.

### Loan-to-Deposit Ratio

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

Legacy National Bank's (Legacy) quarterly LTD ratio since the prior CRA Performance Evaluation (PE) averaged 94.8 percent over 12 consecutive quarters. The LTD ratio is calculated on a bank-wide basis. Examiners compared the bank's LTD ratio to those of four similarly situated banks in their market area. The aggregate average LTD ratio for similarly situated banks was 96.01 percent, with a low average of 88.7 percent and high average of 102.2 percent. Competition within the AA is strong. The AA has several larger and non-local banks participating in the area. The most similar banks are small, local community banks.

### Lending in Assessment Area

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

The bank originated and purchased 94.9 percent by number and 95.0 percent by dollar volume 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.

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**Table D - 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										
2017	145	90.1	16	9.9	161	38,962	89.0	4,823	11.0	43,785
2018	158	96.3	6	3.7	164	30,960	96.0	1,297	4.0	32,257
2019	182	97.3	5	2.7	187	57,552	98.1	1,104	1.9	58,656
<b>Subtotal</b>	<b>485</b>	<b>94.7</b>	<b>27</b>	<b>5.3</b>	<b>512</b>	<b>127,474</b>	<b>94.6</b>	<b>7,224</b>	<b>5.4</b>	<b>134,698</b>
Small Business	20	100.0	0	0.0	20	10,929	100.0	0	0.0	10,929
<b>Total</b>	<b>505</b>	<b>94.9</b>	<b>27</b>	<b>5.1</b>	<b>532</b>	<b>138,403</b>	<b>95.0</b>	<b>7,224</b>	<b>5.0</b>	<b>145,627</b>

*Source: Evaluation Period: 1/1/2017 - 12/31/2019 Bank Data  
Due to rounding, totals may not equal 100.0*

## Description of Institution

Legacy is a \$547.2 million community bank headquartered in Springdale, Arkansas. As of December 31, 2019, Legacy reported net loans of \$445.6 million, or 81.4 percent of total assets, and total deposits of \$480.7 million. In 2017, bank shareholders formed Legacy Bancshares, Inc. (LBI) as a holding company. LBI owns one other bank, Bank of Gravette, under a separate charter. Loan originations and purchases by the Bank of Gravette were not considered in the assessment of Legacy’s performance.

Legacy has one AA located in northwest Arkansas and consisting of two counties - Benton County and Washington County. As of June 30, 2019, Legacy maintained all of their deposits within the AA, representing approximately 4.3 percent market share. Legacy has six full-service banking centers located centrally within the AA and only in the State of Arkansas. Their banking centers are in the AA’s largest cities with three centers in Springdale; one center in Bentonville; one center in Fayetteville; and one center in Rogers. All banking centers are open Monday through Friday and equipped with an automated teller machine (ATM.)

The bank’s primary lending activities are small business lending consisting of commercial real estate and poultry production operations. There are no legal, financial, or other factors impeding the bank’s ability to help meet the credit needs in its AA. Legacy’s prior CRA PE, dated January 13, 2017, rated the institution’s performance as “Outstanding”.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

Examiners completed a full-scope review of Legacy’s performance within its AA using the Intermediate Small Bank CRA procedures. This includes the performance of the Lending Test and the CD Test. The Lending Test evaluates the bank’s record of meeting the credit needs of the bank’s AA through its lending



activities. The CD Test evaluates the bank's responsiveness to CD needs in its AA through qualified CD lending, investments and donations, and services.

Conclusions regarding the Lending Test are based on samples of small business loans and one to four family residential loans originated from January 1, 2017, through December 31, 2019. Legacy is a Home Mortgage Disclosure Act (HMDA) reporting institution.

Conclusions regarding the CD Test are based on qualified loans, investment purchases, existing balances, and/or donations, and services occurring between January 1, 2017, through December 31, 2019.

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

In each state where the bank has an office, one or more of AAs within that state was selected for a full-scope review. For purposes of this evaluation, the bank delineated AA is located in the same metropolitan statistical area (MSA). Refer to appendix A, Scope of Examination, for a list of full- and limited-scope AAs.



## **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 Arkansas

**CRA rating for the State of Arkansas:** Outstanding.

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

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

The major factors that support this rating include:

- A substantial majority of loans originated are within the AA.
- The loan to deposit ratio is more than reasonable.
- Small business income and geographical distributions are excellent.
- Community development activities demonstrate excellent responsiveness to CD needs within the AA.

### Description of Institution's Operations in Arkansas

Legacy has one AA in the state of Arkansas, which meets the requirements of the regulation, and does not arbitrarily exclude low- and moderate-income geographies. The AA includes all of Benton County and Washington County. Legacy has six locations – four in Washington County and two in Benton County. Benton and Washington Counties are located in northwestern Arkansas (NWA). The major cities in these counties are Bentonville, Fayetteville, Rogers, and Springdale. Legacy's main office and two branches are located in Springdale. The bank's other three branches are in Bentonville, Fayetteville, and Rogers. Legacy has a 4.3 percent share of the market and sources all its deposits from the AA. The main branch in Springdale is in an upper-income census tract (CT). Of the other five branches, one is in a moderate-income CT; two are in middle-income CTs; and two are in upper-income CTs.

Banking competition within the AA is strong. There are 30 institutions with 188 banking offices in the AA. Competition consists of several state-chartered banks and branches of non-local nationally chartered banks. There are numerous finance companies, credit unions, and mortgage companies in the AA.

The primary employment sectors within the AA are office and administration, sales, management, production, education, and healthcare. The largest employers within the AA are: national retailer Wal-Mart Stores Inc.; poultry and meat processor Tyson Foods Inc.; the University of Arkansas; trucking company J.B. Hunt Transports Services Inc.; individual city school districts; and regional medical centers. Wal-Mart, Tyson, and J.B. Hunt are headquartered in NWA. Unemployment in the AA is lower than national averages. As of the 2018 American Community Survey (ACS), unemployment for Benton and Washington Counties was 2.7 percent and 3.5 percent, respectively, which is less than the national average of 3.9 percent as of December 2018. The AA experienced steady economic growth over the last ten years even as job growth slowed in recent years, particularly in the manufacturing sector.

Table A summarizes the demographic characteristics of the AA. The AA consists of majority middle- and upper-income individuals. The population consists of 77.1 percent middle- and upper-income individuals.



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In the AA, low- and moderate-income individuals are primarily renters rather than homeowners. Population growth in the AA was steady at 2.0 percent in recent years. Median family income remained stable at \$60,876. The poverty rate is below nationwide averages at 10.9 percent.

The OCC relied on recent community contacts within the AA to gain a better understanding of the general community credit and development needs, as well as local economic conditions. Multiple contacts noted the need for financing for low- and moderate-income housing within the AA and stated financial institutions adequately meet these needs. One community contact noted a need for loans for working capital, equipment, business acquisitions, debt refinance, real estate purchases and development, and small business purpose. This contact reflected negative comments regarding local financial institution performance in meeting the credit needs of the AA. One community contact stated the AA was in need of infrastructure and commercial development to provide more permanent jobs for individuals. This contact stated local financial institutions are readily meeting these needs.

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Legacy NB AA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	81	2.5	18.5	48.1	30.9	0.0
Population by Geography	454,630	2.6	20.3	44.3	32.8	0.0
Housing Units by Geography	185,720	3.1	19.5	44.0	33.4	0.0
Owner-Occupied Units by Geography	102,054	0.7	15.4	46.2	37.7	0.0
Occupied Rental Units by Geography	65,338	6.8	26.6	39.4	27.3	0.0
Vacant Units by Geography	18,328	3.1	17.2	48.6	31.1	0.0
Businesses by Geography	29,045	1.8	16.9	45.4	35.8	0.0
Farms by Geography	1,022	1.6	14.8	51.3	32.4	0.0
Family Distribution by Income Level	114,420	19.5	18.2	20.2	42.0	0.0
Household Distribution by Income Level	167,392	22.3	16.5	18.4	42.7	0.0
Median Family Income MSA - 22220 Fayetteville-Springdale-Rogers, AR MSA		\$60,876	Median Housing Value			\$157,293
			Median Gross Rent			\$757
			Families Below Poverty Level			10.9%

Source: 2015 ACS Census and 2019 D&B Data  
Due to rounding, totals may not equal 100.0  
(\* ) The NA category consists of geographies that have not been assigned an income classification.



## Scope of Evaluation in Arkansas

We conducted a full-scope review of the bank's one AA in Arkansas.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN Arkansas

### LENDING TEST

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

Based on a full-scope review, the bank's performance in the state of Arkansas is excellent.

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

The bank exhibits excellent geographic distribution of loans in the state of Arkansas.

#### *Home Mortgage Loans*

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

The geographic distribution of residential real estate loans in the AA reflects excellent distribution. The bank's percentage of home mortgage lending in low- and moderate-income CTs exceeded both the percentage of owner-occupied housing units and aggregate lending. Home mortgage lending in both low- and moderate-income CTs improved in 2019, likely due to the addition of one low-income CT and two moderate-income CTs.

#### *Small Loans to Businesses*

Refer to table Q in the State of Arkansas section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

The geographic distribution of small loans to businesses reflects excellent distribution. In a sample of 60 small business loans, examiners identified no loans originated in low-income CTs. Lending to small businesses was strong in moderate-income CTs. Mitigating factors for the lack of lending in low-income CTs were the small percent of businesses located in low income CTs as well as the low number of low-income CTs in the AA. Approximately 1.8 percent of businesses were in low income CTs. In 2017 and 2018, there was only one low income CT out of the 81 CTs in the AA. Low-income CTs within the AA increased to two in 2019. During the same time, the percentage of bank loans to small businesses located in moderate-income CTs exceeded both the percentage of businesses and aggregate lending to moderate-income CTs.

#### *Lending Gap Analysis*

No lending gaps were identified during our review. The AA is comprised of complete counties.



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

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

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

Refer to table P in the State of Arkansas section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home loan originations and purchases.

The distribution of home mortgage loans reflects poor distribution among low- and moderate-income borrowers and is reasonable considering performance context. The bank's percentage of lending to low- and moderate-income borrowers was lower than the percentage of low- and moderate-income families in the AA. Lending opportunities to low- and moderate-income borrowers within the AA are limited. Low- and moderate-income households represent an average of approximately 20.0 percent of total households in the AA during the assessment period. In addition, a majority of housing in low- and moderate-income CTs are rental units, which further limits residential lending opportunities to low- and moderate-income borrowers. Given the context, borrower distribution of home mortgage loans is reasonable.

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

Refer to table R in the " " State of Arkansas section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to businesses.

The distribution of loans to businesses by income level is excellent. For 2017 through 2019, the percentage of loans to businesses with gross annual revenue of less than \$1 million exceeded both the percent of identified small businesses and aggregate lending during the period.

## **Responses to Complaints**

The bank responds adequately to complaints. Legacy has not received any formal CRA complaints since the prior evaluation. Routine customer requests or complaints are answered in a timely manner with no outstanding complaints as of the date of this evaluation.

## **COMMUNITY DEVELOPMENT TEST**

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

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

## Number and Amount of Community Development Loans

The bank’s level of CD lending demonstrates excellent responsiveness to the community needs in the AA. During the evaluation period, the bank originated or renewed six CD loans, totaling \$8.3 million for affordable housing and to revitalize and stabilize designated areas within the AA.

Significant CD loans include a \$2.8 million and a \$3.3 million loan to purchase and renovate a nine-building apartment complex and an affordable housing development.

Refer to the Community Development Loan table below for the facts 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.

<i>Community Development Loans</i>				
Assessment Area				
	#	% of Total #	\$(000’s)	% of Total \$
Washington & Benton Counties AA	6	100%	8,346	100%
<b>Total</b>	<b>6</b>	<b>100%</b>	<b>\$8,346,720</b>	<b>100%</b>

## Number and Amount of Qualified Investments

The Qualified Investment table, shown on the next page, sets forth the information and data used to evaluate the bank’s level of qualified CD investments. This table includes all CD investments, including prior period investments that remain outstanding as of the examination date.

The bank’s level of investment and donations demonstrates excellent responsiveness to the needs of its AA given performance context. The bank did not purchase any qualified investments in the AA during the assessment period. Rather, the bank made 13 donations, totaling \$15.9 thousand to qualified organizations in the AA. Significant donations include a \$5 thousand donation to Arkansas Children’s Foundation to provide medical attention to local children in need and a \$1 thousand donation to Welcome Health to support free access to medical and dental work for those in need with no insurance.



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Competition for qualified investments in the Fayetteville-Springdale-Rogers MSA is strong. A limited number of qualified investments are issued, and it is often difficult for small community banks to compete with the large nationwide and regional banks for purchasing.

<i>Qualified Investments</i>										
Assessment Area	Prior Period*		Current Period		Totals				Unfunded Commitments**	
	#	\$	#	\$	#	% of Total #	\$	% of Total \$	#	\$
Washington & Benton Counties AA	0	0	13	\$16	13	100%	\$16	100%	-	-
<b>Total</b>	<b>0</b>	<b>0</b>	<b>13</b>	<b>\$16</b>	<b>13</b>	<b>100%</b>	<b>\$16</b>	<b>100%</b>	<b>-</b>	<b>-</b>

\* 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.

## Extent to Which the Bank Provides Community Development Services

Legacy demonstrates adequate responsiveness to CD needs by offering qualifying services to small businesses in its AA; including small business administration (SBA) lending. Bank officers and employees actively participate in several CD service activities. Bank employees use their banking experience and expertise to assist these organizations. The organizations provide basic living needs, educational opportunities, and youth mentoring opportunities to low- and moderate-income individuals and families in the AA.

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



## 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”.

<b>Time Period Reviewed:</b>	January 1, 2017 – December 31, 2019	
<b>Bank Products Reviewed:</b>	Home mortgage and small business Community development loans, qualified investments, community development services	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
Bank of Gravette	Common Ownership	None
<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>State</b>		
Arkansas		
Fayetteville-Springdale-Rogers MSA	Full scope	Washington County and Benton County



## Appendix B: Summary of State Ratings

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RATINGS		Legacy National Bank	
	Lending Test Rating*	CD Test Rating	Overall Bank/State/Multistate Rating
Legacy National Bank	Outstanding	Satisfactory	Outstanding
State of Arkansas	Outstanding	Satisfactory	Outstanding

(\*) 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 CTs 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





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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



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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.



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- 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.

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**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 Census Tracts			Moderate-Income Census Tracts			Middle-Income Census Tracts			Upper-Income Census Tracts			Not Available-Income Census 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
Legacy NB AA	485	127,474	100.0	19,703	0.7	0.8	0.4	15.4	18.1	10.7	46.2	39.8	43.0	37.7	41.2	45.9	0.0	0.0	0.0
<b>Total</b>	<b>485</b>	<b>127,474</b>	<b>100.0</b>	<b>19,703</b>	<b>0.7</b>	<b>0.8</b>	<b>0.4</b>	<b>15.4</b>	<b>18.1</b>	<b>10.7</b>	<b>46.2</b>	<b>39.8</b>	<b>43.0</b>	<b>37.7</b>	<b>41.2</b>	<b>45.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2018 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
Legacy NB AA	485	127,474	100.0	19,703	19.5	3.5	6.2	18.2	8.2	14.9	20.2	11.5	19.3	42.0	39.8	41.8	0.0	36.9	17.9
<b>Total</b>	<b>485</b>	<b>127,474</b>	<b>100.0</b>	<b>19,703</b>	<b>19.5</b>	<b>3.5</b>	<b>6.2</b>	<b>18.2</b>	<b>8.2</b>	<b>14.9</b>	<b>20.2</b>	<b>11.5</b>	<b>19.3</b>	<b>42.0</b>	<b>39.8</b>	<b>41.8</b>	<b>0.0</b>	<b>36.9</b>	<b>17.9</b>

Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2018 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0

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**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 Census Tracts			Moderate Income Census Tracts			Middle Income Census Tracts			Upper Income Census Tracts			Not Available Income Census 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
Legacy NB AA	60	\$19,748,538	100.0	8,274	1.8	0.0	0.9	16.9	20.0	13.6	45.4	38.3	47.7	35.8	41.7	37.7	0.0	0.0	0.0
<b>Total</b>	<b>60</b>	<b>\$19,758,538</b>	<b>100.0</b>	<b>8,274</b>	<b>1.8</b>	<b>0.0</b>	<b>0.9</b>	<b>16.9</b>	<b>20.0</b>	<b>13.6</b>	<b>45.4</b>	<b>38.3</b>	<b>47.7</b>	<b>35.8</b>	<b>41.7</b>	<b>37.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

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

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

Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Legacy NB AA	60	\$19,748,538	100.0	8,274	82.6	88.3	46.5	4.9	5.0	12.5	6.7
<b>Total</b>	<b>60</b>	<b>\$19,748,538</b>	<b>100.0</b>	<b>8,274</b>	<b>82.6</b>	<b>88.3</b>	<b>46.5</b>	<b>4.9</b>	<b>5.0</b>	<b>12.5</b>	<b>6.7</b>

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