



## **PUBLIC DISCLOSURE**

July 11, 2023

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

The First National Bank of Ava  
Charter Number 10911

304 West Main Street  
Ava, IL 62907

Office of the Comptroller of the Currency  
500 N. Broadway St. 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.

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## Overall CRA Rating

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

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

The lending test rating is based on The First National Bank of Ava's (FNB) performance in the state of Illinois. The major factors that support this rating include:

- FNB's loan-to-deposit ratio (LTD) is reasonable given the bank's size, financial condition, and level of local competition.
- A majority of the bank's loans are inside its assessment area (AA).
- The bank's distribution of loans to individuals of different income levels and businesses and farms of different sizes is excellent throughout its AA.

### Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AA, the LTD ratio is reasonable. FNB's quarterly LTD ratio averaged 54.3 percent over the 12-quarter period ending December 31, 2021. Over the same period, the LTD ratio ranged from a low of 45.3 percent to a high of 61.3 percent.

To assess the bank's performance, we compared the bank's average LTD ratio to local Federal Deposit Insurance Corporation- (FDIC) insured financial institutions, which includes four banks with branches in the local area. The four banks had total assets ranging from \$84.6 million to \$252 million with a combined average LTD ratio of 56.3 percent over the same evaluation period. The lowest individual average was 34.4 percent, while the highest individual average was 72.1 percent. FNB ranked third out of five when comparing the average LTD ratios. The table below lists the similarly situated institutions (including FNB) with the corresponding average LTD ratios.

| Institution   | Average Quarterly LTD Ratio | Total Assets \$(000s) as of 12/31/2021 |
|---|-----------------------------|--|
| First State Bank of Campbell Hill                                   | 72.1%                       | \$142,101                              |
| The First Bank and Trust Company of Murphysboro                     | 67.6%                       | \$84,558                               |
| <b>The First National Bank of Ava</b>                               | <b>54.3%</b>                | <b>\$78,753</b>                        |
| First National Bank of Steeleville                                  | 50.9%                       | \$251,998                              |
| Du Quoin State Bank   | 34.4%                       | \$142,384                              |
| <i>Source: Quarterly FFIEC Call Reports 01/01/2019 - 12/31/2021</i> |                             |  |

## Lending in Assessment Area

A majority of the bank's loans are inside its AA. In a sample of 60 loans, the bank originated or purchased 71.7 percent of its total loans inside the AA during the evaluation period. This analysis is performed at the bank, rather than the AA, level.

| Lending Inside and Outside of the Assessment Area |                 |      |         |      |       |                                 |      |         |      |                |
|---|-----------------|------|---------|------|-------|---------------------------------|------|---------|------|----------------|
| Loan Category                                     | Number of Loans |      |         |      | Total | Dollar Amount of Loans \$(000s) |      |         |      | Total \$(000s) |
|   | Inside          |      | Outside |      |       | Inside                          |      | Outside |      |                |
|   | #               | %    | #       | %    |       | \$                              | %    | \$      | %    |                |
| Small Business                                    | 14              | 70.0 | 6       | 30.0 | 20    | 703                             | 56.7 | 537     | 43.3 | 1,240          |
| Small Farm  | 15              | 75.0 | 5       | 25.0 | 20    | 888                             | 68.9 | 401     | 31.1 | 1,289          |
| Consumer  | 14              | 70.0 | 6       | 30.0 | 20    | 167                             | 69.9 | 72      | 30.1 | 239            |
| Total   | 43              | 71.7 | 17      | 28.3 | 60    | 1,758                           | 63.5 | 1,010   | 36.5 | 2,768          |

Source: Evaluation Period 01/01/2019 – 12/31/2021 Bank Data  
Due to rounding, totals may not equal 100.0%

## Description of Institution

FNB is an intrastate financial institute headquartered in Ava, Illinois, a small rural town in southern Illinois. The bank is a wholly-owned subsidiary of Headquarters Holding Company, a one-bank holding company, also located in Ava. FNB has two cash-dispensing automated teller machines: one at the main office and one at the Scuttle Inn at Pyramid Oaks in Percy, Illinois. There were no affiliate or subsidiary activities considered in this evaluation. Since the last evaluation the bank has not opened or closed any branches and there have been no major changes in the bank's corporate structure including merger or acquisition activities.

As of December 31, 2021, the bank had total assets of \$78.8 million, total deposits of \$63.6 million, and tier 1 capital of \$9.3 million or 21.8 percent of total risk-weighted assets. The bank's total loans were \$31.1 million or 39.5 percent of total assets.

Loan portfolio composition as of December 31, 2021, includes the following:

| Loan Type          | Amount Outstanding \$(000s) | Percentage of Loan Portfolio |
|--------------------|-----------------------------|------------------------------|
| Commercial Loans   | \$6,859                     | 22.1%                        |
| Residential Loans  | \$11,535                    | 37.1%                        |
| Agricultural Loans | \$10,589                    | 34.1%                        |
| Consumer Loans     | \$1,873                     | 6.0%                         |
| Other Loans        | \$326                       | 0.7%                         |
| <b>Total Loans</b> | <b>\$31,067</b>             | <b>100.0%</b>                |

Source: 12/31/2021 FFIEC Call Report

\*Total reflects \$115,000 in unearned income.

The bank offers a variety of banking products to consumers and businesses, operating primarily as a home mortgage, agriculture, and commercial lender. Deposit products consist of checking, savings, certificates of deposit, and individual retirement accounts. Lending products include home mortgage, commercial, consumer, and agriculture loans. The bank's services also include debit cards, online and mobile banking with bill pay, and mobile deposits.

For CRA purposes, the bank identified one AA in the state of Illinois, which is part of the Carbondale-Marion MSA #16060 located in Jackson County, Illinois. The AA consists of three census tracts (CT). CTs 101 and 103 are classified as middle-income CTs, and CT 104 is classified as an upper-income CT. There are no low- or moderate-income (LMI) CTs in the AA. Although FNB's AA represents only a portion of Jackson County, it is reasonable due to the bank's size and only office located in the small rural town of Ava, Illinois. A majority of Jackson County is generally rural. The AA conforms to regulatory requirements and does not arbitrarily exclude any LMI geographies.

FNB's last CRA performance evaluation was on May 13, 2019. Utilizing Small Bank CRA examination procedures, the OCC concluded that FNB's performance was rated "Satisfactory." There are no known legal, financial, or other factors impeding the bank's ability to help meet the credit needs of its AA.

## **Scope of the Evaluation**

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

The scope of this evaluation includes an assessment of FNB under the small bank performance criteria, which consists of the lending test. This test evaluates the bank's record of meeting the credit needs of its AA through lending activities. The evaluation period for the lending test is January 1, 2019 through December 31, 2021. We did not include 2022 in our evaluation period as peer aggregate data was not available at the time of this evaluation.

Based on our review of all loans originated and purchased during the evaluation period, we determined the bank's primary loan products to be business loans, farm loans, and consumer loans. To evaluate lending performance, we selected a random sample of 20 business loans, 20 farm loans, and 20 consumer loans originated or purchased between January 1, 2019 and December 31, 2021. We compared these loans to the 2015 American Community Survey (ACS) Census, 2021 Dun & Bradstreet (D&B) data, and 2021 CRA aggregate peer data.

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

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

## **Ratings**

FNB's overall rating is based solely on its performance in the state of Illinois. The state of Illinois rating is derived from the bank's observed performance under the CRA small bank lending test, as well as related performance context information from the bank's AA. With the exception of the LTD ratio (based on the bank's entire lending portfolio), all weight for performance under the CRA small bank lending test was based on the bank's lending performance in relation to its primary products of business loans, farm loans, and consumer loans in its AA.

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

Pursuant to 12 CFR 25.28(c), 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 Consumer Financial Protection Bureau, 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:** Outstanding.

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

The major factors that support this rating include:

- FNB's LTD is reasonable given the bank's size, financial condition, and level of local competition.
- A majority of the bank's loans are inside its AA.
- The bank's distribution of loans to individuals of different income levels and businesses and farms of different sizes is excellent throughout its AA.

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

FNB has one AA that consists of three CTs in in the northwestern portion of Jackson County, Illinois. Two CTs in the AA are designated as middle-income and one CT is designated as upper-income. There are no LMI CTs in the AA.

#### Competition

Competition for deposits is high due to the number and size of the financial institutions within the AA. According to the June 30, 2021, FDIC Deposit Market Share Report, the bank's deposits in the AA totaled \$65.8 million, representing 100 percent of the bank's total deposits. The AA has a total of 11 deposit-taking institutions operating 21 branches. The bank ranked eighth in the AA with a deposit market share of 5.8 percent. First Southern Bank, The Bank of Carbondale, and Regions Bank lead with deposit market share of 19.7 percent, 19.7 percent, and 15.3 percent, respectively.

#### Demographics

The following table provides a summary of the demographics, including housing and business information, for the AA.

| Demographic Information of the Assessment Area   |        |               |                              |                  |                 |               |
|--|--------|---------------|------------------------------|------------------|-----------------|---------------|
| Assessment Area: Ava   |        |               |                              |                  |                 |               |
| Demographic Characteristics  | #      | Low<br>% of # | Moderate<br>% of #           | Middle<br>% of # | Upper<br>% of # | NA*<br>% of # |
| Geographies (Census Tracts)  | 3      | 0.0           | 0.0                          | 66.7             | 33.3            | 0.0           |
| Population by Geography  | 10,609 | 0.0           | 0.0                          | 56.6             | 43.4            | 0.0           |
| Housing Units by Geography   | 5,157  | 0.0           | 0.0                          | 56.5             | 43.5            | 0.0           |
| Owner-Occupied Units by Geography  | 3,668  | 0.0           | 0.0                          | 57.3             | 42.7            | 0.0           |
| Occupied Rental Units by Geography   | 878    | 0.0           | 0.0                          | 51.5             | 48.5            | 0.0           |
| Vacant Units by Geography  | 611    | 0.0           | 0.0                          | 59.4             | 40.6            | 0.0           |
| Businesses by Geography  | 629    | 0.0           | 0.0                          | 54.5             | 45.5            | 0.0           |
| Farms by Geography   | 92     | 0.0           | 0.0                          | 87.0             | 13.0            | 0.0           |
| Family Distribution by Income Level  | 3,049  | 18.8          | 19.9                         | 18.5             | 42.8            | 0.0           |
| Household Distribution by Income Level   | 4,546  | 18.5          | 14.5                         | 18.4             | 48.7            | 0.0           |
| Median Family Income MSA - 16060<br>Carbondale-Marion, IL MSA  |        | \$55,883      | Median Housing Value         |                  |                 | \$103,817     |
|  |        |               | Median Gross Rent            |                  |                 | \$570         |
|  |        |               | Families Below Poverty Level |                  |                 | 8.6%          |
| Source: 2015 ACS and 2021 D&B Data<br>Due to rounding, totals may not equal 100.0%<br>(* ) The NA category consists of geographies that have not been assigned an income classification. |        |               |                              |                  |                 |               |

### Geographic Distribution of the Population

According to the 2015 ACS Census data, the population in the bank's AA was 10,609 with 6,007 (56.6 percent) residing in the middle-income CTs and 4,602 (43.4 percent) residing in the upper-income CTs.

### Household Distribution by Income Level

According to the same data, there were 4,546 households in the AA. Approximately 840 (18.5 percent) of those households were low income, 657 (14.5 percent) were moderate income, 835 (18.4 percent) were middle income, and 2,214 (48.7 percent) were upper income. The percentage of households in the AA living below the poverty level was 12.9 percent.

### Employment and Economic Factors

According to the Bureau of Labor Statistics report, the unemployment rates for Jackson County ranged from a low of 3.6 percent in 2019 to a high of 7.9 percent in 2020 in Jackson County. The unemployment rate increased significantly in 2020 due to COVID-19 pandemic-related factors but has stabilized. The state of Illinois and national averages noted similar trends.

| Annual Unemployment Rates   |      |      |      |
|---|------|------|------|
| Area  | 2019 | 2020 | 2021 |
| Jackson County  | 3.6% | 7.9% | 5.4% |
| State of Illinois   | 4.0% | 9.2% | 6.1% |
| National  | 3.7% | 8.1% | 5.4% |
| Source: US Department of Labor; Bureau of Labor Statistic. Rates are not seasonally adjusted. |      |      |      |



Based on information in the table below, low-income families in the AA earned less than \$30,850 (2019) and up to \$32,350 (2021), and moderate-income families earned from \$30,850 (2019) to \$51,760 (2021).

| <b>Median Family Income Ranges</b><br><b>Carbondale-Marion, IL MSA Median Family Income (16060)</b> |                        |                                    |                                   |                        |
|---|------------------------|------------------------------------|-----------------------------------|------------------------|
| <b>Median Family Incomes</b>  | <b>Low<br/>&lt;50%</b> | <b>Moderate<br/>50% to &lt;80%</b> | <b>Middle<br/>80% to &lt;120%</b> | <b>Upper<br/>≥120%</b> |
| 2019 (\$61,700)   | <\$30,850              | \$30,850 to <\$49,360              | \$49,360 to <\$74,040             | ≥\$74,040              |
| 2020 (\$64,400)   | <\$32,200              | \$32,200 to <\$51,520              | \$51,520 to <\$77,280             | ≥\$77,280              |
| 2021 (\$64,700)   | <\$32,350              | \$32,350 to <\$51,760              | \$51,760 to <\$77,640             | ≥\$77,640              |
| <i>Source: FFIEC</i>  |                        |                                    |                                   |                        |

*According to Moody's Analytics, Carbondale-Marion's economy will inch forward next year, failing to keep pace with the national average. Job gains at SIU will be limited in scope and healthcare will not provide a big enough boost to improve the metro area's performance relative to peers. Longer term, demographic woes and limited high-wage job prospects will ensure Carbondale's chronic underperformance.*

The top employment sectors in the AA are Government, Education and Health Services, Retail Trade, Leisure and Hospitality Services, and Manufacturing. The top five employers in the Carbondale-Marion MSA include Southern Illinois University, Community Health Systems Inc., UnitedHealth Group, Nissan North America, and Optum Inc.

Based on the 2015 ACS Census data and June 2021 D&B data, there were 721 total businesses in the AA of which 629 (87.2 percent) are non-farm businesses. Of the 629 non-farm businesses, 343 (54.5 percent) are located in the middle-income CTs and 286 (45.5 percent) are located in the upper-income CTs. 522 (83 percent) of the total non-farm businesses are considered small business with annual revenue less than or equal to \$1 million. There were also 92 farms located in the AA. All farms reported less than \$1 million in annual revenue, designating all as small farm for CRA purposes.

### Community Contacts

We reviewed a community contact from a representative of an organization in Carbondale Illinois that advocates for small businesses in the local counties. The contact identified financial education workshops and flexible loan programs for small businesses as the primary needs in the local communities. In general, financial institutions have a good working relationship with individuals and businesses in the communities they serve.

## **Scope of Evaluation in Illinois**

We performed a full-scope review of the bank's only AA. Refer to Appendix A for more information.

## **LENDING TEST**

The bank's performance under the lending test in Illinois is rated Outstanding.

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

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

An analysis of the geographic distribution of loans would not be meaningful as there are no LMI CTs in the bank's AA.

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

We analyzed FNB's geographic lending patterns of business loan, farm loan, and consumer loan lending activity over the evaluation period. We did not identify any unexplained conspicuous lending gaps in the AA.

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

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

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

Refer to Table R in 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 small loans to businesses of different sizes is excellent. The percentage of small business loans originated or purchased to small businesses with revenues of less than \$1 million exceeded the percentage of small businesses in the AA, and significantly exceeded the aggregate percentage of all reporting lenders.

### ***Small Loans to Farm***

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

The distribution of loans to small farms in the AA is excellent. During the evaluation period, 100 percent of farms in the AA had annual revenue less than or equal to \$1 million. FNB originated or purchased 100 percent of its loans to small farms in this category. The originations or purchases significantly exceeded the aggregate percentage of all reporting lenders.

### ***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 distribution of consumer loans among individuals of different income levels is excellent. The percentage of consumer loans originated or purchased to LMI borrowers exceeded the percentage of low-income households, and significantly exceeded the percentage of moderate-income households.

### **Responses to Complaints**

The bank did not receive any CRA-related complaints during the evaluation period.

## 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 MSAs and non-MSAs that received comprehensive examination review, designated by the term “full-scope,” and those that received a less comprehensive review, designated by the term “limited-scope”.

|   |  |                                    |
|---|--|------------------------------------|
| <b>Time Period Reviewed:</b>                            | 01/01/2019 to 12/31/2021                   |                                    |
| <b>Bank Products Reviewed:</b>                          | Business Loans, Farm Loans, Consumer Loans |                                    |
| <b>Affiliate(s)</b>                                     | <b>Affiliate Relationship</b>              | <b>Products Reviewed</b>           |
| None  | Not Applicable                             | Not Applicable                     |
| <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>   |  |                                    |
| Ava AA  | Full-Scope                                 | Jackson County – CTs 101, 103, 104 |

## Appendix B: Summary of MMSA and State Ratings

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| RATINGS: First National Bank of Ava |                     |
|-------------------------------------|---------------------|
| Overall Bank:                       | Lending Test Rating |
| First National Bank of Ava          | Outstanding         |
| State:                              |                     |
| Illinois                            | Outstanding         |

## 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 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 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 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 R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues   |                                 |            |              |                |                                 |              |             |                                |              |  | 2019-2021    |
|---|---------------------------------|------------|--------------|----------------|---------------------------------|--------------|-------------|--------------------------------|--------------|--|--------------|
| 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 |
| Ava AA  | 20                              | 935        | 100.0        | 109            | 83.0                            | 95           | 56.9        | 3.8                            | 5.0          | 13.2                                   | 0.0          |
| <b>Total</b>  | <b>20</b>                       | <b>935</b> | <b>100.0</b> | <b>109</b>     | <b>83.0</b>                     | <b>95</b>    | <b>56.9</b> | <b>3.8</b>                     | <b>5.0</b>   | <b>13.2</b>                            | <b>0.0</b>   |
| Source: 2021 D&B Data; 01/01/2019 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data, "--" data not available.<br>Due to rounding, totals may not equal 100.0% |                                 |            |              |                |                                 |              |             |                                |              |  |              |

| Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues  |                      |              |              |                |                            |              |             |                           |              |  | 2019-2021    |
|---|----------------------|--------------|--------------|----------------|----------------------------|--------------|-------------|---------------------------|--------------|--|--------------|
| Assessment Area:  | Total Loans to Farms |              |              |                | Farms with Revenues <= 1MM |              |             | Farms with Revenues > 1MM |              | Businesses with Revenues Not Available |              |
|   | #                    | \$           | % of Total   | Overall Market | % Farms                    | % Bank Loans | Aggregate   | % Farms                   | % Bank Loans | % Businesses                           | % Bank Loans |
| Ava AA  | 20                   | 1,108        | 100.0        | 26             | 100.0                      | 100.0        | 34.6        | 0.0                       | 0.0          | 0.0                                    | 0.0          |
| <b>Total</b>  | <b>20</b>            | <b>1,108</b> | <b>100.0</b> | <b>26</b>      | <b>100.0</b>               | <b>100.0</b> | <b>34.6</b> | <b>0.0</b>                | <b>0.0</b>   | <b>0.0</b>                             | <b>0.0</b>   |
| Source: 2021 D&B Data; 01/01/2019 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data, "--" data not available.<br>Due to rounding, totals may not equal 100.0% |                      |              |              |                |                            |              |             |                           |              |  |              |

| Table V - Assessment Area Distribution of Consumer Loans by Income Category of the Borrower          |                      |     |            |                      |              |                           |              |                         |              |                        |              | 2019-2021                      |              |
|--|----------------------|-----|------------|----------------------|--------------|---------------------------|--------------|-------------------------|--------------|------------------------|--------------|--------------------------------|--------------|
| 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 |
| Ava AA   | 20                   | 231 | 100.0      | 18.5                 | 25.0         | 14.5                      | 40.0         | 18.4                    | 25.0         | 48.7                   | 10.0         | 0.0                            | 0.0          |
| Total  | 20                   | 231 | 100.0      | 18.5                 | 25.0         | 14.5                      | 40.0-        | 18.4                    | 25.0         | 48.7                   | 10.0         | 0.0                            | 0.0          |
| Source: 2015 ACS; 01/01/2019 - 12/31/2021 Bank Data.<br>Due to rounding, totals may not equal 100.0% |                      |     |            |                      |              |                           |              |                         |              |                        |              |                                |              |