



## **PUBLIC DISCLOSURE**

November 15, 2021

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

The First National Bank of Litchfield  
Charter Number 3962

324 North State St.  
Litchfield, IL 62056

Office of the Comptroller of the Currency

500 N 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.

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# Overall CRA Rating

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

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

The Lending Test rating is based on The First National Bank of Litchfield’s (FNBL) performance in the state of Illinois. The major factors that support this rating include:

- FNBLs average quarterly loan-to-deposit (LTD) ratio is more than reasonable given the bank’s size, financial condition, and level of local competition.
- A majority of FNBLs loans are originated or purchased inside its assessment area (AA).
- The distribution of loans to borrowers of different income levels is excellent.
- FNBL did not receive any CRA-related complaints during the evaluation period.

## Loan-to-Deposit Ratio

Considering the bank’s size, financial condition, and credit needs of the AA, the LTD ratio is more than reasonable. FNBLs average LTD ratio for the 17 quarters since the last CRA evaluation is 95.7 percent. Over this period, the bank’s LTD ratio ranged from a low of 83.3 percent to a high of 106.3 percent.

We analyzed the LTD ratio of eight similarly situated institutions based on a combination of size, location, and lending opportunities. The institutions ranged in size from \$33.2 million to \$505.9 million, with a combined average LTD ratio of 73 percent over the same evaluation period. The lowest individual average was 63.3 percent, while the highest individual average was 90.1 percent. FNBL ranked first among the group when comparing the average LTD ratios. The table below lists the similarly situated institutions with corresponding average LTD ratios and total assets.

Institution	Average Quarterly LTD Ratio	Total Assets (\$000) as of 6/30/2021
Nokomis Savings Bank	90.13	\$33,199
Bank & Trust Company	79.36	\$419,204
Bank of Hillsboro, National Association	77.77	\$505,930
Security National Bank	74.03	\$99,469
The Litchfield National Bank	69.69	\$123,253
First Community Bank of Hillsboro	66.21	\$144,450
First National Bank of Nokomis	63.89	\$182,324
The First National Bank of Raymond	63.26	\$181,425

*Source: Quarterly Call Reports from June 30, 2017 to June 30, 2021*

## Lending in Assessment Area

A majority of the bank’s loans are inside its AA. FNBL originated or purchased 52.5 percent of its total loans inside the bank’s AAs during the evaluation period. A randomly selected sample of 40 loans was used to determine the inside/outside ratios.

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	7	35	13	65	20	565	24.8	1,718	75.2	2,283
Farm	14	70	6	30	20	3,263	65	1,760	35	5,023
<b>Total</b>	21	52.5	19	47.5	40	3,828	52.4	3,478	47.6	7,306

Source: Bank Data  
Due to rounding, totals may not equal 100.0%

## Description of Institution

FNBL is an intrastate financial institution headquartered in Litchfield, Illinois. FNBL is the only subsidiary of First Montgomery Bancorp, Inc., also located in Litchfield, Illinois. As of June 30, 2021, First Montgomery Bancorp, Inc. held \$14.9 million in total assets. FNBL operates with two locations, both in Litchfield, Illinois. The bank also operates two cash-dispensing-only automated teller machines located at each branch. FNBL has one subsidiary, First Montgomery Financial Services, Inc., which provides crop insurance services. FNBL did not request CRA considerations for this subsidiary. No merger or acquisition activity impacted the bank’s operations during the evaluation period.

As of June 30, 2021, FNBL held \$123.9 million in total assets, with net loans totaling \$91.04 million or 73.5 percent of total assets. The total loan portfolio is comprised of \$25.3 million (27.8 percent) in real estate loans, \$46.8 million (51.4 percent) in agriculture loans, \$15.75 million (17.3 percent) in commercial loans, and \$3.2 million (3.5 percent) in consumer loans. Tier one capital totals \$14.1 million. The institution’s business strategy and primary focus is on agriculture and residential loans to the local market area.

FNBL offers a variety of deposit and loan products. Deposit products consist of business and consumer checking accounts, savings accounts, certificates of deposit, and individual retirement accounts. Loan products include consumer loans, residential mortgages including home improvement and construction, farm loans, commercial loans, and loans related to community development, government, and non-profit organizations. FNBL also partners with the Small Business Administration, Farmers Home Administration, the Farm Service Agency, and Illinois Finance Authority to provide supplementary lending options to customers. Additional products and services include internet banking, safety deposit boxes, debit cards, cashier checks and money orders, license plate stickers, license and title work, and wire transfers.

For CRA purposes, FNBL has one non-MSA AA in Montgomery County. The AA is contiguous and includes seven census tracts (CT) located in Montgomery County. The AA consists of no low-income CTs, one moderate-income CT, six middle-income CTs, and no upper-income CTs. The AA conforms to regulatory requirements and does not arbitrarily exclude any low- or moderate-income geographies.

FNBL received an overall “Satisfactory” rating at their last CRA evaluation dated July 31, 2017. 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 FNBL 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 its lending activities. The evaluation period for the Lending Test is January 1, 2018 through December 31, 2020.

Based on our review of all loan originations and purchases from January 1, 2018 to December 31, 2020, we determined the bank’s primary loan products to be home mortgage loans and farm loans. Both products are evaluated in this CRA review.

<b>Loan Originations/Purchases by Loan Type January 1, 2018 through December 31, 2020</b>				
<b>Loan Category</b>	<b>Number of Loans</b>	<b>% of Number of Loans</b>	<b>Dollars (000s)</b>	<b>% of Dollars</b>
Farm Loans	104	23%	\$32,740	36%
Business Loans	82	18%	\$40,229	44%
Home Mortgage Loans	126	27%	\$16,458	18%
Consumer Loans	147	32%	\$2,312	2%
<b>Total</b>	<b>459</b>	<b>100%</b>	<b>\$91,739</b>	<b>100%</b>

*Source: Bank records January 1, 2018 - December 31, 2020.  
Due to rounding, totals may not equal 100%.*

Examiners relied on the bank’s loan files to gather data and complete the analysis of home mortgage loans and farm loans. Loans originated or purchased during the evaluation period were compared to 2015 American Community Survey (ACS) U.S. Census and 2019 CRA peer aggregate data.

## Selection of Areas for Full-Scope Review

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

## Ratings

The bank’s overall rating is based solely on its performance in the state of Illinois. The state of Illinois rating is derived from the bank’s performance under the CRA Small Bank Lending Test as well as related performance context information from the bank’s AA. Except for the bank’s 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 relations to its primary products of home mortgage loans and farm loans in its AA.

## **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 major factors that support this rating include:

- FNBLs average quarterly LTD ratio is more than reasonable given the bank's size, financial condition, and level of local competition.
- A majority of FNBLs loans are originated or purchased inside its AA.
- The distribution of loans to borrowers of different income levels is excellent.
- FNBL did not receive any CRA-related complaints during the evaluation period.

## Description of Institution's Operations in Illinois

### Montgomery County

#### Competition

Competition for deposits in the AA is moderate. As of June 30, 2021, FNBL reported \$107.8 million in deposits in the AA. According to Federal Deposit Insurance Corporation (FDIC) market share information as of June 30, 2021, FNBL ranked fifth in deposit market share in the AA with a market share of only 10.5 percent. The AA has a total of 11 FDIC-insured deposit-taking institutions operating 23 branches. Institutions with the highest deposit market share include Bank & Trust Company with 20.8 percent of the market, Bank of Hillsboro, N.A. with 13.7 percent of the market, and First Community Bank of Hillsboro with 11.6 percent of the market.

Per the June 2020 Dunn & Bradstreet (D&B) demographic information, there are only 192 small farms located in the bank's AA. Of this, only 45 are located in the moderate-income CT. All farms reported less than \$1 million in annual revenue designating them small farm for CRA purposes.

#### Demographics

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

Demographic Information of the Assessment Area						
Assessment Area: Montgomery County AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	7	0.0	14.3	85.7	0.0	0.0
Population by Geography	26,065	0.0	7.8	92.2	0.0	0.0
Housing Units by Geography	11,057	0.0	9.3	90.7	0.0	0.0
Owner-Occupied Units by Geography	7,458	0.0	10.5	89.5	0.0	0.0
Occupied Rental Units by Geography	2,135	0.0	4.0	96.0	0.0	0.0
Vacant Units by Geography	1,464	0.0	11.0	89.0	0.0	0.0
Businesses by Geography	1,418	0.0	5.8	94.2	0.0	0.0
Farms by Geography	192	0.0	23.4	76.6	0.0	0.0
Family Distribution by Income Level	6,810	20.2	16.9	21.6	41.3	0.0
Household Distribution by Income Level	9,593	22.2	16.5	17.6	43.8	0.0
Median Family Income Non-MSAs - IL		\$59,323	Median Housing Value			\$88,428
			Median Gross Rent			\$609
			Families Below Poverty Level			11.0%
<i>Source: 2015 ACS and 2020 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

### Geographic Distribution of the Population

According to the 2015 ACS Census data, the area population was 26,065. The vast majority of the population (24,023 or 92.2 percent) reside in the middle-income CT with only 2,042 or (7.8 percent) living in the moderate-income CT. There are no low- or upper-income CTs in the AA.

### Family Distribution by Income Level

According to the 2015 ACS Census data, there were 6,810 families in the AA. Approximately 1,375 (20.2 percent) of those families were low-income families, 1,154 (16.9 percent) were moderate-income families, 1,468 (21.6 percent) were middle-income families, and 2,813 (41.3 percent) were upper-income families. Seven hundred and fifty-two families (11.04 percent) live below the poverty level.

### Housing Characteristics and Home Affordability

The 2015 ACS Census data reported 11,057 total housing units in the AA. Of these housing unit, 7,458 (67.5 percent) were owner-occupied, 2,135 (19.3 percent) were occupied rental units, and 1,464 (13.2 percent) were vacant. Of the owner-occupied units, only 785 (10.5 percent) were located in the moderate-income CT. The median age of housing stock is 54 years. Older homes often cost more to maintain, frequently require significant repairs to meet building code requirements, and are typically less energy efficient. These factors add to the overall cost of homeownership and can have a negative impact on home affordability for low- and moderate-income individuals.

Based on information in the table below, low-income families earned less than \$31,950 (2018) and up to \$32,900 (2020), and moderate-income families earned from \$31,950 (2018) to \$52,640 (2020).



<b>Median Family Income Ranges Montgomery County AA</b>				
<b>IL NA Median Family Income (99999)</b>				
<b>Median Family Income</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80 to &lt;120%</b>	<b>Upper ≥120%</b>
2018 (\$63,900)	<\$31,950	\$31,950 to <\$51,120	\$51,120 to <\$76,680	≥\$76,680
2019 (\$64,200)	<\$31,200	\$32,100 to <\$51,360	\$51,360 to <\$77,040	≥\$77,040
2020 (\$65,800)	<\$32,900	\$32,900 to <\$52,640	\$52,640 to <\$78,960	≥\$78,960
<i>Source: FFIEC</i>				

According to Realtor.com data, the median price of houses sold in Montgomery County ranged from \$52,500 in December 2018 to \$95,500 in December 2020. This is an 81.9 percent increase, far greater than the three percent increase in the Federal Financial Institution’s Examination Council (FFIEC)-adjusted median family income over the same period reflected in the table above.

*Employment Factors and Economic Conditions*

According to the Bureau of Labor Statistics, the unemployment rates for Montgomery County, the State of Illinois, and nationally were improving year over year, but increased significantly as a result of the COVID-19 pandemic in 2020. Both Montgomery County and the State of Illinois exceeded national annual unemployment rates for all years.

<b>Annual Unemployment Rates</b>			
<b>Area</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Montgomery County	5.8%	5.0%	8.7%
State of Illinois	4.4%	4.0%	9.5%
National	3.9%	3.7%	8.1%
<i>Source: US Department of Labor; Bureau of Labor Statistic. Rates are not seasonally adjusted.</i>			

According to Moody’s Analytics in October 2021, *Illinois’ economic recovery will proceed at a slightly slower pace than the region and the U.S. Tailwinds to the manufacturing base are numerous but easing of supply-chain bottlenecks is key to the near-term forecast. Longer term, IL will underperform because of poor population trends and troubled state and local finances.*

*Community Contacts*

Through discussions with a local economic development representative, it was determined that local financial institutions are involved in the community and meeting the community’s banking needs. The contact identified no unmet credit needs in the area.

**Scope of Evaluation in Illinois**

We performed a full scope review of the Montgomery County AA. Refer to Appendix A for more information.

## **LENDING TEST**

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

### **Conclusions for Area Receiving a Full-Scope Review**

Based on a full-scope review, the bank's performance in the Montgomery County AA is reasonable.

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

The bank exhibits very poor geographic distribution of loans in the AA. Our analysis is based solely on the bank's performance in moderate-income CTs, as there are no low-income CTs in the AA.

#### ***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 geographic distribution of home mortgage loans was poor. No home mortgage loans sampled for the lending test were originated in the moderate-income CT.

Factors contributing to FNBLs poor performance include minimal housing units, geographical distance from branch locations to the moderate-income CT, and competition. There are only 1,032 housing units (less than 10 percent of total units in the AA) located in the moderate-income CT, of which only 785 are owner-occupied indicating the least amount of demand for home mortgage loans out of the seven CTs in the AA. Additionally, FNBL branches located in Litchfield, Illinois are 10-21 miles away from towns located within the moderate-income CT (Butler, Irving, and Witt, Illinois). Our review of competition indicates borrowers from Butler, Irving, and Witt, Illinois have several lenders within a lesser or same distance.

#### ***Farm Loans***

Refer to Table S in Appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of farm loans.

The geographic distribution of farm loans was poor. No farm loans sampled for the lending test were originated in the moderate-income CT.

Factors contributing to FNBLs poor performance include minimal farms located in the moderate-income CT, geographical distance from the moderate-income CT, and the location of competitors relative to the CT. D&B demographic information for June 2020 notes only 45 farms located in the moderate-income CT. As stated above, FNBL branches are located the furthest from the moderate-income CT and there is notable competition within the moderate-income CT.

### Lending Gap Analysis

We reviewed summary reports and maps and analyzed FNBLs home mortgage and farm lending activity over the evaluation period to identify any gaps in the geographic distribution of loans. We did not identify any unexplained conspicuous gaps.

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

The bank exhibits excellent distribution of loans to individuals of different income levels and farms of different sizes, 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 distribution of home mortgage loans to borrowers of different income levels is excellent. The percentage of home mortgage loans originated or purchased to low-income borrowers was below the percentage of low-income families, but far exceeded the aggregate percentage of all reporting lenders. The percentage of home mortgage loans originated or purchased to moderate-income borrowers far exceeded the percentage of moderate-income families and the aggregate percentage of all reporting lenders.

#### ***Farm Loans***

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 farm loans.

The distribution of loans to small farms is excellent. The percentage of small farm loans originated or purchased compared favorably to the percentage of small farms and far exceeded the aggregate percentage of all reporting lenders.

### **Responses to Complaints**

FNBL has not received any complaints since the last CRA evaluation. FNBL does not have a history of CRA-related complaints.

## Appendix A: Scope of Examination

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The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the MSAs and non-MSAs that received comprehensive examination review, designated by the term “full-scope,” and those that received a less comprehensive review, designated by the term “limited-scope”.

<b>Time Period Reviewed:</b>	01/01/2018 to 12/31/2020	
<b>Bank Products Reviewed:</b>	Home mortgage loans and loans made to farms	
<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>State of Illinois</b>		
Montgomery County	Full-Scope	Portions of Montgomery County including cities of Butler, Irving, Witt, Farmersville, Waggoner, Raymond, Litchfield, Hillsboro, Taylor Springs, Donnellson, and Coffeen. This AA includes the following CTs: 9574, 9575, 9576, 9577, 9578, 9579, and 9580.

## Appendix B: Summary of MMSA and State Ratings

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<b>RATINGS: The First National Bank of Litchfield</b>	
<b>Overall Bank:</b>	<b>Lending Test Rating:</b>
The First National Bank of Litchfield	Satisfactory
<b>MMSA or State:</b>	
Illinois	Satisfactory

## Appendix C: Definitions and Common Abbreviations

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The following terms and abbreviations are used in this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

**Affiliate:** Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Aggregate Lending (Aggt.):** The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

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

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

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

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

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

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always

equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male householder and no wife present) or 'female householder' (a family with a female householder and no husband present).

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

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

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

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

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

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

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

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

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

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

**Metropolitan Division:** As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5

million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

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

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

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

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

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

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

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

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

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

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

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



## Appendix D: Tables of Performance Data

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### Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30<sup>th</sup> of each year. Tables without data are not included in this PE.

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

- Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.
- Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.
- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.
- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.
- Table 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.

<b>Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography</b>																				<b>2018-20</b>
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	
Montgomery Cty - 2020 AA	20	1,309	100.0	589	0.0	0.0	0.0	10.5	0.0	8.3	89.5	100.0	91.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>20</b>	<b>1,309</b>	<b>100.0</b>	<b>589</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>10.5</b>	<b>0.0</b>	<b>8.3</b>	<b>89.5</b>	<b>100.0</b>	<b>91.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

*Source: 2015 ACS Census; 01/01/2018 - 12/31/2020 Bank Data, 2020 HMDA Aggregate Data, "--" data not available.  
 Due to rounding, totals may not equal 100.0%  
 % of Bank Loans based on a randomly selected sample of 20 home mortgage loans within the Montgomery County AA.*

<b>Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower</b>																				<b>2018-20</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	
Montgomery Cty - 2020 AA	20	1,309	100.0	589	20.2	15.0	5.1	16.9	25.0	16.1	21.6	10.0	20.0	41.3	50.0	44.0	0.0	0.0	14.8	
<b>Total</b>	<b>20</b>	<b>1,309</b>	<b>100.0</b>	<b>589</b>	<b>20.2</b>	<b>15.0</b>	<b>5.1</b>	<b>16.9</b>	<b>25.0</b>	<b>16.1</b>	<b>21.6</b>	<b>10.0</b>	<b>20.0</b>	<b>41.3</b>	<b>50.0</b>	<b>44.0</b>	<b>0.0</b>	<b>0.0</b>	<b>14.8</b>	

*Source: 2015 ACS Census; 01/01/2018 - 12/31/2020 Bank Data, 2020 HMDA Aggregate Data, "--" data not available.  
 Due to rounding, totals may not equal 100.0%  
 % of Bank Loans based on a randomly selected sample of 20 home mortgage loans within the Montgomery County AA.*

Table S: Assessment Area Distribution of Loans to Farms by Income Category of the Geography																			2018-20
Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate
Montgomery Cty - 2020 AA	20	5,586	100.0	46	0.0	0.0	0.0	23.4	0.0	6.5	76.6	100.0	93.5	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>20</b>	<b>5,586</b>	<b>100.0</b>	<b>46</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>23.4</b>	<b>0.0</b>	<b>6.5</b>	<b>76.6</b>	<b>100.0</b>	<b>93.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data, "--" data not available.  
 Due to rounding, totals may not equal 100.0%  
 % of Bank Loans based on a randomly selected sample of 20 loans to farms within the Montgomery County AA.

Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues												2018-20
Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans	
Montgomery Cty - 2020 AA	20	5,586	100.0	47	99.5	85.0	53.2	0.0	15.0	0.5	0.0	
<b>Total</b>	<b>20</b>	<b>5,586</b>	<b>100.0</b>	<b>47</b>	<b>99.5</b>	<b>85.0</b>	<b>53.2</b>	<b>0.0</b>	<b>15.0</b>	<b>0.5</b>	<b>0.0</b>	

Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data, "--" data not available.  
 Due to rounding, totals may not equal 100.0%  
 % of Bank Loans based on a randomly selected sample of 20 loans to farms within the Montgomery County AA.