

Community Reinvestment Act Notice

Under the Federal Community Reinvestment Act (CRA), the Federal Deposit Insurance Corporation (FDIC) evaluates our record of helping to meet the credit needs of this community consistent with safe and sound operations. The FDIC also takes this record into account when deciding on certain applications submitted by us.

Your involvement is encouraged.

You are entitled to certain information about our operations and our performance under the CRA, including for example, information about our branches (if any) such as their location and services provided at them; the public section of our most recent CRA Performance Evaluation, prepared by the FDIC; and comments received from the public relating to our performance in helping to meet community credit needs, as well as our responses to those comments. You may review this information today.

At least 30 days before the beginning of each quarter, the FDIC publishes a nationwide list of the savings associations that are scheduled for CRA examination in that quarter. This list is available from the Regional Director, Division of Depositor and Consumer Protection (DCP), FDIC 300 South Riverside Plaza, Suite 1700, Chicago, IL 60606. You may send written comments about our performance in helping to meet community credit needs to Boonville Federal Savings Bank, Attention Kerry Neff, 123 North Third Street, Boonville, IN 47601, and the FDIC Regional Director, Federal Reserve Bank of Chicago located at 230 South LaSalle Street, Chicago, IL 60690. Your letter, together with any response by us, will be considered by the FDIC in evaluating our CRA performance and may be made public.

You may ask to look at any comments received by the FDIC Regional Director. You may also request from the FDIC Regional Director an announcement of our applications covered by the CRA filed with the FDIC.

At the present time, Boonville Federal Savings Bank has no branches.

COMMUNITY REIVESTMENT ACT STATEMENT

Boonville Federal Savings Bank considers the boundaries of Warrick County as their normal local lending community. In the past, the majority of Boonville Federal's lending has been in the Warrick County Area, with a few loans originated In Spencer, Gibson, Vanderburgh, Posey and Dubois counties. Participating loans have been purchased in our surrounding area. Our normal lending area covers very low, low, medium and high-income properties. Our CRA Community is the Boonville Indiana Area.

Boonville Federal is presently offering loans on 1-4 family dwellings, five or more family dwellings units at 80%, to 90-95% (with PMI) and 100% if FMHA backed. We are also offering small farm, business, consumer, commercial and church loans. We actively offer and market rural and urban construction loans, home improvement loans and second mortgages. Most banks in our area discourage small consumer loans such as \$100 to \$1,000 loans, but Boonville Federal has always been in the market. All types of Mortgages Loans in all areas of our lending community will be considered.

Due to size, Boonville is subject to the streamline assessment. The Bank emphasizes CRA activity such as; originating loans and lending related activities in our lending area, having a good distribution of loans and lending related activities among individuals of different income levels and business of different sizes in our area is key. Having a good distribution of loans in the services and maintaining a record of taking appropriate action in response to any written complaints about meeting credit needs in this service area is necessary.

Boonville Federal has been active in numerous community organizations, local schools, 4-H clubs, civic groups, charity assistance, County economic development agencies, church supports and City activities.

Main office and only ATM location: 123 N. 3rd Street, Boonville, IN 47601
There are no branches at this time.

Hours of Operation:

Main Lobby: Monday-Thursday: 8:30-4:00 PM

Friday: 8:30-5:00PM

Drive-Thru: Monday- Thursday: 8:00- 4:30 PM

Friday: 8:00- 5:00 PM

Saturday: 9:00- 12:00 PM

Services:

Deposits: Checking Accounts

Savings Accounts

Certificates of Deposit

Money Market Accounts

IRA Accounts

Club Accounts

Loans: Mortgage Loans

Consumer Loans

Commercial Loans

HELOC

Lines of Credit

Fees:

Deposits:

Service Charge: \$3.95

Dormant Savings Account: \$6.00 per quarter

Dormant Checking Account: \$6.00 per month

Negative Balance: \$6.00 per day after 3 consecutive business days

Stop Payment: \$35.00 per item

Check Copy: \$5.00 (front and back)

Account History Printout: \$3.00

Savings and Checking NSF: \$35.00 per item

Statement Copy: \$7.00 per statement

Garnishment, Levy, or Attachment: \$50.00 per occurrence

Balancing Checkbook: (Past 7 most recent days): \$20.00 per hour/ \$10.00 minimum

Basic Checking Account Service Charge: \$3.95 per month

ATM:

ATM Card use in foreign ATM: \$1.00 plus foreign bank fee

Replacement ATM Card (if lost or damaged): \$10.00 per card

Foreign ATM Card use in our machine: \$3.00

Miscellaneous:

Telephone Transfer Fee of Funds: \$3.00

Undeliverable Mail Fee: \$2.00 per month

Rolling Coin: 15% of total

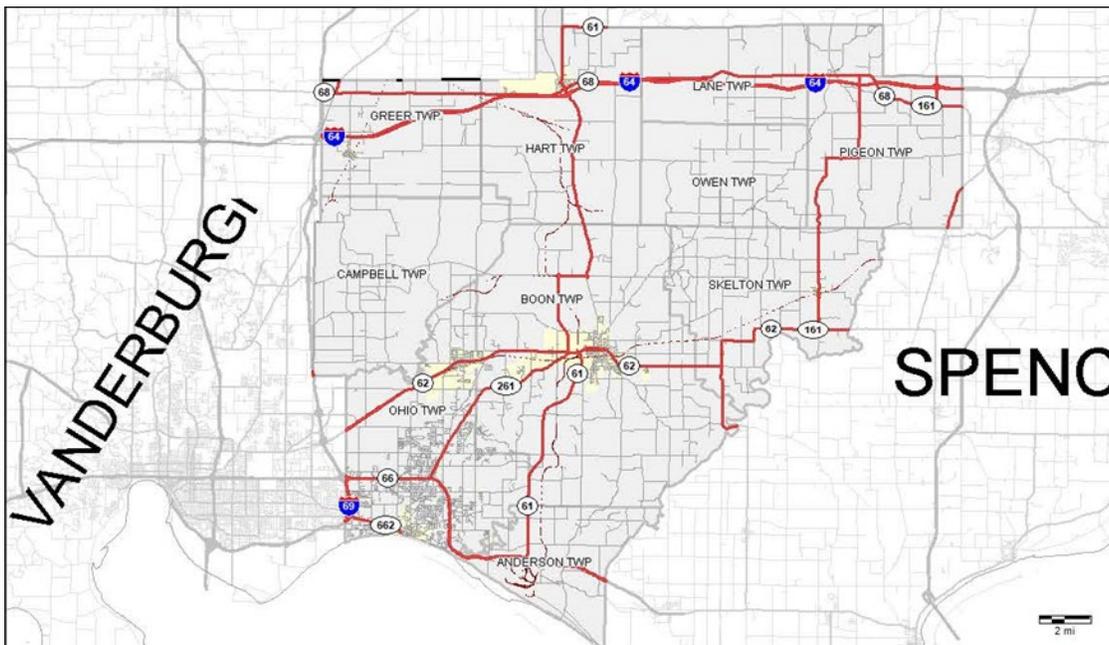
Research Fee: \$50.00 per hour

Cash Advance by Phone: \$7.00
Wire Transfer Fee (domestic only): \$50.00
Non-Customer Check Cashing Fee: \$10.00
Notary Fee: \$5.00

Lending:

Mortgage Purchase Processing Fee: \$450.00
Mortgage Purchase Closing Fee: \$400.00
Refinance Processing Fee: \$400.00
Refinance Closing Fee: \$350.00
Second Mortgage Processing Fee: \$295.00
Investment Property Processing Fee: \$649.00
Line of Credit Processing Fee: \$295.00
Commercial auto & equipment: \$295.00
Auto Loan Processing Fee: \$199.00
Unsecured Loan Processing Fee: \$99.00
Unsecured Loan (under \$1,000.00) Processing Fee: \$25 (not to exceed Usry)
Loan Modification Fee: \$69.00
Re-Write or Re-Type Fee: \$39.00
(Loans with real estate collateral may include Appraisal Fee, Title Fees, Recording Fees, Flood Determination Fees, and/ or Credit Report Fees)

Service Area:



Warrick County Census Tracts:
Home office Of Boonville Federal Savings Bank: 0306.02

PUBLIC DISCLOSURE

February 20, 2020

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Boonville Federal Savings Bank Certificate Number: 30128

123 North Third Street Boonville, Indiana 47601

Federal Deposit Insurance Corporation Division of Depositor and
Consumer Protection Chicago Regional Office

300 South Riverside Plaza, Suite 1700
Chicago, Illinois 60606

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, nor should it 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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INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated **Outstanding**.

An institution in this group has an outstanding record of helping to meet the credit needs of its assessment area (AA), including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

Boonville Federal Savings Bank's (BFSB) Community Reinvestment Act (CRA) performance under the Lending Test supports the overall rating. Examiners did not identify any evidence of discriminatory or other illegal credit practices. The following points summarize the bank's performance.

- The loan-to-deposit (LTD) ratio is more than reasonable given the institution's size, financial condition, and AA credit needs.
- A substantial majority of loans are in the institution's AA.
- The distribution of borrowers reflects, given the demographics of the AA, excellent penetration among individuals of different income levels and businesses of different sizes.
- There are no low- or moderate-income census tracts in the AA. As such, this criterion was not evaluated.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the Lending Test rating.

DESCRIPTION OF INSTITUTION

Background

BFSB is headquartered in Boonville, Indiana and operates throughout Warrick County. The institution received an Outstanding rating at its previous FDIC CRA Performance Evaluation, dated December 2, 2013, based on Interagency Small Institution CRA Examination Procedures.

Operations

BFSB operates one full-service office in its AA located in southwest Indiana. The main office is located in a middle-income census tract in Warrick County. BFSB offers loan products including home mortgage, commercial, agricultural, and consumer loans, primarily focusing on home mortgage and commercial loans. The bank also sells loans on the secondary market.

The bank offers a variety of deposit services including checking, savings, money market accounts, and certificates of deposit. Alternative banking services include mobile and internet banking, remote deposit capture, one cash-dispensing only automated teller machines, and drive-up facilities. The bank did not open or close any branches, and no merger or acquisition activities occurred since the previous evaluation.

Ability and Capacity

According to the Consolidated Report of Condition dated September 30, 2019, the bank had total assets of \$54.1 million, including total loans of \$35.9 million, total deposits of \$35.5 million, and securities totaling \$6.1 million. The loan portfolio is detailed in the following table.

Loan Portfolio Distribution as of 9/30/2019		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	1,125	3.1
Secured by Farmland	85	0.2
Secured by 1-4 Family Residential Properties	24,034	67.0
Secured by Multi-family (5 or more) Residential Properties	293	0.8
Secured by Non-farm Non-Residential Properties	1,214	3.4
Total Real Estate Loans	26,751	74.5
Commercial and Industrial Loans	3,935	11.0
Agricultural Production and Other Loans to Farmers	188	0.5
Consumer	4,766	13.3
Other Loans	260	0.7
Less: Unearned income	0	0.0
Total Loans	35,900	100.0
<i>Source: Reports of Condition and Income</i>		

Examiners did not identify any financial, legal, or other impediments that affect the bank's ability to meet AA credit needs.

DESCRIPTION OF ASSESSMENT AREA

The CRA requires financial institutions to define one or more AAs within which examiners evaluate their performance. BFSB designated one AA in Indiana, and it includes all of Warrick County, Indiana. Warrick County is one of three counties that make up the Evansville, Indiana- Kentucky Metropolitan Statistical Area (MSA).

Economic and Demographic Data

The bank continues to define its AA as Warrick County, which includes 11 census tracts. The AA consists of seven middle-income and four upper-income census tracts. The designated area meets the definition of the regulation and does not arbitrarily exclude any low- or moderate-income geographies nor does it reflect illegal discrimination. The following table illustrates select demographic characteristics of the AA.

Demographic Information of the Assessment Area						
Assessment Area: Boonville AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	11	0.0	0.0	63.6	36.4	0.0
Population by Geography	60,995	0.0	0.0	51.4	48.6	0.0
Housing Units by Geography	24,727	0.0	0.0	52.0	48.0	0.0
Owner-Occupied Units by Geography	18,696	0.0	0.0	49.0	51.0	0.0
Occupied Rental Units by Geography	4,187	0.0	0.0	58.7	41.3	0.0
Vacant Units by Geography	1,844	0.0	0.0	67.8	32.2	0.0
Businesses by Geography	3,026	0.0	0.0	45.1	54.9	0.0
Farms by Geography	205	0.0	0.0	66.3	33.7	0.0
Family Distribution by Income Level	17,002	14.1	14.7	21.6	49.7	0.0
Household Distribution by Income Level	22,883	13.7	14.1	17.2	55.1	0.0
Median Family Income MSA - 21780 Evansville, IN-KY MSA	\$61,595		Median Housing Value			\$143,691
			Median Gross Rent			\$766
			Families Below Poverty Level			7.4%
<i>Source: 2015 ACS Census and 2018 D&B Data Due to rounding, totals may not equal 100.0 (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The population of the entire AA, per 2015 American Community Survey (ACS) data, is 60,995. Boonville is the largest town in the AA with a population of 6,237. The number of families in the entire AA is 17,002. As of 2015, over 75 percent of the housing units in the AA were owner-occupied.

According to 2018 D&B data, there were 205 farms and 3,026 businesses in the AA. The largest employers in the county include Alcoa Warrick Operations, Women’s Hospital, Walmart, and Elite Air. The major employment sectors in the county are services (42.6 percent); finance and insurance (10.7 percent); and retail trade (10.4 percent). The November 2019 unemployment rate for Warrick County was 2.8 percent, which is slightly below the State of Indiana’s overall rate of 3.2 percent for the same time frame.

The 2018 FFIEC-updated median family income levels are used to analyze home mortgage loans under the Borrower Profile criterion. The low-, moderate-, middle-, and upper-income categories are presented in the following table.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Evansville, IN-KY MSA Median Family Income (21780)				
2018 (\$65,100)	<\$32,550	\$32,550 to <\$52,080	\$52,080 to <\$78,120	≥\$78,120
<i>Source FFIEC</i>				

Competition

The AA is significantly competitive in the market for financial services, but BFSB is one of the leaders in deposit share. According to the FDIC Deposit Market Share data as of June 30, 2019, there were 11 financial institutions that operated 18 full-service offices within Warrick County. Of these institutions, BFSB ranked 6th with a 4.3 percent deposit market share. The top depository institution in this AA had 29.3 percent deposit market share.

The bank is not required to collect or report its small business loan data, and it has not elected to do so; therefore, the analysis of small business loans does not include comparisons against aggregate data. The aggregate data, however, reflects the level of demand for small business loans and is therefore included under this section as an indication of competition in the AA. Aggregate data for 2018 showed that 40 institutions reported 703 small business loans in this AA, indicating a moderate degree of competition for this product. The top three small business lenders account for 37.1 percent of the market share.

Community Contacts

As part of the evaluation process, examiners contact third parties active in the AA to assist in identifying the credit needs. Examiners contacted a representative from a local economic development organization.

The contact stated that the economy has been slowly improving in the area. The contact had a positive overall impression of the local financial institutions.

Credit Needs

The information provided from the community contact, along with review of the market for financial services, helps determine whether local financial institutions are responsive to these needs. It also shows what credit opportunities are available.

The contact indicated that local financial institutions were willing and able to meet the credit needs of the area. There were no credit needs identified that were not being met during the review. Thus, community credit needs appear to be satisfied.

SCOPE OF EVALUATION

General Information

The evaluation covers the period from the prior examination dated December 2, 2013, to the current evaluation dated February 20, 2020. Examiners used the Interagency Small Institution CRA Examination Procedures to evaluate BFSB's CRA performance based on the following criteria:

- LTD ratio
- AA concentration
- Borrower Profile
- Geographic Distribution
- Response to CRA-related complaints

This evaluation does not include any lending activity performed by affiliates.

Activities Reviewed

Examiners determined that the bank's major product lines are home mortgage and small business loans. This conclusion considered the bank's business focus, portfolio composition, and number and dollar amount of loans originated during the evaluation period. Home mortgage lending received greater weight in this evaluation as it represents a higher concentration of originations during the evaluation period. Furthermore, no other loan types, such as farm or consumer loans, represent major product lines; therefore, they provided no material support for conclusions or ratings and are not presented. Bank records indicated that the lending focus and product mix remained consistent throughout the evaluation period.

This evaluation considered all home mortgage loans reported on the bank's Home Mortgage Disclosure Act (HMDA) Loan Application Registers in 2017 and 2018. The bank originated 62 home mortgage loans totaling \$5.1 million in 2017. The bank originated 62 home mortgage loans totaling 6.0 million in 2018.

The bank is not required to collect or report its small business data, and it has not elected to do so. Examiners reviewed all small business loans originated in 2018 and 2019. The bank originated 20 small business loans totaling \$1.3 million in 2018 and 20 small business loans totaling \$2.3 million in 2019, reflecting a significant increase in dollar volume of small business loans. The data from

both years are presented in the evaluation.

Examiners used 2015 ACS data as well as 2017 and 2018 aggregate HMDA data to assess the bank's mortgage lending performance and 2018 and 2019 D&B data to assess the bank's small business lending. Examiners reviewed the number and dollar volume of home mortgage and small business loans. While this evaluation presents the number and dollar volume of loans, examiners emphasized performance by number of loans because it is a better indicator of the number of individuals and businesses served.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

BFSB demonstrated outstanding performance under the Lending Test. The bank's performance under the Borrower Profile criteria primarily supports this conclusion.

Loan-to-Deposit Ratio

The LTD ratio is more than reasonable given the institution's size, financial condition, and AA credit needs. The bank's net LTD ratio, calculated from Call Report data, averaged 90.6 percent over the past 24 calendar quarters from December 31, 2013, to September 30, 2019. The ratio ranged from a low of 85.8 percent on June 30, 2015, to a high of 100.5 percent on September 30, 2019. The ratio steadily increased over the review period due to consistent loan growth and stable deposits.

As shown in the following table, the bank's performance is above the range of similarly-situated institutions, which examiners selected based on their asset size, geographic location, and lending focus.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 9/30/2019 \$(000s)	Average Net LTD Ratio (%)
Boonville Federal Savings Bank	54,076	90.6
Similarly-Situated Institution #1	116,609	80.8
Similarly-Situated Institution #2	80,240	61.6
Similarly-Situated Institution #3	195,527	79.8

Source: Reports of Income and Condition 12/31/2013 through 9/30/2019

Assessment Area Concentration

A substantial majority of home mortgage and small business loans are inside the institution's AA. A higher percentage of home mortgage loans were extended in the AA in 2017 than 2018, primarily due to additions in personnel that brought in more loans outside of Warrick County. However, a substantial majority by both number and dollar were in the AA throughout the review period, evidencing strong

and continued commitment to extend home mortgage loans to borrowers within the AA.

In 2018 and 2019, respectively, it is noted that slightly over 39 and 31 percent of the dollar volume of small business loans were outside the AA. However, these percentages were skewed by a small number of large dollar loans. Performance by number of loans revealed that the bank increased its small business lending from 70 percent to 80 percent in the AA throughout the review period for an average of 75 percent of small business loans within the AA. Greater weight is given to the number of loans versus dollar volume of loans as it represents the number of small businesses served. Therefore, it is evident that the bank is committed to extending small business loans primarily within its AA.

The bank's performance, including over 82 percent by number of home mortgage loans and over 80 percent by number of small businesses made within the assessment area, indicates a substantial majority of loans being made in the AA throughout the review period. The following table contains detailed information regarding home mortgage and small business lending inside and outside the AA.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2017	58	93.5	4	6.5	62	4,663	91.3	442	8.7	5,105
2018	44	71.0	18	29.0	62	4,693	77.9	1,330	22.1	6,023
Subtotal	102	82.3	22	17.7	124	9,356	84.1	1,772	15.9	11,128
Small Business										
2018	14	70.0	6	30.0	20	772	60.8	497	39.2	1,269
2019	16	80.0	4	20.0	20	1,613	68.8	731	31.2	2,344
Subtotal	30	75.0	10	25.0	40	2,385	66.0	1,228	34.0	3,613
Total	132	80.5	32	19.5	164	11,741	79.6	3,000	20.4	14,741
<i>Source: Evaluation Period: 1/1/2017 - 12/31/2019 Bank Data Due to rounding, totals may not equal 100.0</i>										

Borrower Profile

The distribution of borrowers reflects, given the demographics of the AA, excellent penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes. This rating is driven by excellent home mortgage lending performance, which received greater weight when arriving at overall conclusions; small business lending performance was reasonable. This criterion is given the most weight in this evaluation.

Home Mortgage Loans

The distribution of borrowers reflects, given the demographics of the AA, excellent penetration among individuals of different income levels. In the AA, 7.4 percent of families have incomes

below the poverty level and are unlikely to qualify for a traditional mortgage loan, which limits the opportunity and demand to lend to borrowers in the low-income demographic. Comparison to aggregate data is a better indicator of loan demand as it consists of actual lending performance from other HMDA reporters in the AA. The bank's lending to low-income individuals in 2017 at 12.1 percent greatly exceeded the aggregate performance of 7.4 percent. In addition, the bank's lending to low-income individuals increased in 2018 to 15.9 percent while aggregate decreased to 4.8 percent, resulting in performance of over three times as much as the aggregate. The bank's lending throughout the review period reveals that the bank has very strong performance in lending to low-income borrowers.

The bank's lending to moderate-income individuals at 15.5 percent in 2017 was comparable to the aggregate performance of 18.4 percent. Lending to moderate-income individuals increased in 2018 to 15.9 percent, which was above the percentage of families at 14.7 percent and remained comparable to the aggregate performance of 17.3 percent. The information reflects that the bank is also committed to lending to moderate-income borrowers.

Given the bank's superior performance in lending to low-income borrowers and reasonable performance in lending to moderate-income borrowers, the overall home mortgage lending performance is excellent.

The following table details the distribution of home mortgage loans by borrower income level.

Distribution of Home Mortgage Loans by Borrower Income Level						
Assessment Area: Boonville AA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2017	14.1	7.4	7	12.1	299	6.4
2018	14.1	4.8	7	15.9	394	8.4
Moderate						
2017	14.7	18.4	9	15.5	439	9.4
2018	14.7	17.3	7	15.9	415	8.8
Middle						
2017	21.6	19.4	9	15.5	630	13.5
2018	21.6	19.8	8	18.2	657	14.0
Upper						
2017	49.7	34.7	31	53.4	3,107	66.6
2018	49.7	38.3	19	43.2	2,911	62.1
Not Available						
2017	0.0	20.1	2	3.4	188	4.0
2018	0.0	19.8	3	6.8	316	6.7
Totals						
2017	100.0	100.0	58	100.0	4,663	100.0
2018	100.0	100.0	44	100.0	4,693	100.0
<i>Source: 2015 ACS Census; 1/1/2017 - 12/31/2018 Bank Data, 2017 & 2018 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0</i>						

Small Business Loans

The distribution of borrowers reflects, given the demographics of the AA, reasonable penetration among businesses of different sizes.

Since the previous evaluation, the overall percentage of businesses with (gross annual revenues) GARs of \$1 million or less has declined and the level of businesses that elected not to report their GARs notably increased. Despite these variables, the bank has continued to meet the lending needs of small businesses, especially very small businesses that have GARs less than \$500,000 according to internal bank records reviewed by FDIC examiners.

The following table reveals that the bank originated all of the small business loans, with the exception of three loans in each year, to businesses with GARs of \$1 million or less. Specifically, in 2018 and 2019, the bank data shows that approximately 79 and 81 percent, respectively, of small business loans were originated to businesses with GARs of \$1 million or less. While the bank's

performance trails the percent of businesses reporting \$1 million or less, it should be noted that these smaller businesses tend to seek alternative forms of financing, such as home equity lines of credit or credit cards. Therefore, it is expected that the bank's performance would trail the demographic, and the bank's performance relative to the demographic illustrates its commitment to lend to small businesses.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Assessment Area: Boonville AA					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
≤\$1,000,000					
2018	84.2	11	78.6	437	56.6
2019	86.0	13	81.3	1,294	80.2
>\$1,000,000					
2018	4.9	3	21.4	335	43.4
2019	4.1	3	18.8	319	19.8
Revenue Not Available					
2018	10.9	0	0.0	0	0.0
2019	9.9	0	0.0	0	0.0
Totals					
2018	100.0	14	100.0	772	100.0
2019	100.0	16	100.0	1,613	100.0
<i>Source: 2018 & 2019 D&B Data; 1/1/2018 - 12/31/2019 Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0</i>					

Geographic Distribution

There are no low- or moderate-income census tracts in the AA, and a review of the Geographic Distribution criterion would not result in meaningful conclusions. As such, this criterion was not evaluated.

Response to Complaints

No CRA-related complaints have been received since the prior evaluation; therefore, this factor did not affect the rating.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

No evidence of discriminatory or other illegal credit practices inconsistent with helping meet community credit needs was identified.

APPENDICES

SMALL BANK PERFORMANCE CRITERIA

Lending Test

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

- 1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
- 2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
- 3) The bank's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes;
- 4) The geographic distribution of the bank's loans; and
- 5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

GLOSSARY

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

Combined Statistical Area (CSA): A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

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, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Core Based Statistical Area (CBSA): The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

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. Other family 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).

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in

information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower profile, 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 do 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; and the disposition of the application (approved, denied, and withdrawn).

Home Mortgage Loans: Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Limited-Scope Review: A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is often analyzed using only quantitative factors (e.g., geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

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 metropolitan area/assessment area.

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities 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 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 and less than 80 percent in the case of a geography.

Multi-family: Refers to a residential structure that contains five or more units.

Nonmetropolitan Area (also known as non-MSA): All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

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.

Rated Area: A rated area is a state or multistate metropolitan 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 multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Rural Area: Territories, populations, and housing units that are not classified as urban.

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

Small Farm Loan: 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, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

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

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

“Urban” excludes the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.