



Office of the
Comptroller of the Currency
Washington, DC 20219

INTERMEDIATE SMALL BANK

PUBLIC DISCLOSURE

January 18, 2022

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Quantum National Bank
Charter Number: 22905

505 Peachtree Industrial Boulevard
Suwanee, Georgia 30024

Office of the Comptroller of the Currency

Three Ravinia Drive, Suite 550
Atlanta, Georgia 30346

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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Overall CRA Rating

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

The lending test is rated: Outstanding.

The community development test is rated: Outstanding.

The major factors that support this rating include:

- Quantum National Bank's (QNB) level of lending, as reflected in the net loan-to-deposit ratio, is considered more than reasonable.
- A majority of loans were originated inside the assessment area.
- QNB's distribution of commercial loans to businesses of different sizes is excellent in relation to assessment area competition.
- The bank exhibits an excellent geographic distribution of small business loans among geographies of different income levels in relation to assessment area demographics.
- The bank demonstrated excellent responsiveness to the community development (CD) lending and investment needs within its assessment area, including the specific needs identified by community contacts.

Loan-to-Deposit (LTD) Ratio

Considering the bank's size, financial condition, and credit needs of the assessment area, the bank's loan-to-deposit ratio is more than reasonable. We evaluated the bank's LTD ratio over 12 quarters from the quarter ended December 31, 2018, through the quarter ended September 30, 2021. During this period, the bank's quarterly LTD ratio averaged 99.24 percent, with a quarterly low of 93.58 percent and a quarterly high of 112.28 percent. In comparison, over the same 12 quarters, the quarterly average LTD ratio among similarly situated financial institutions was 80.25 percent.

Lending in Assessment Area

A majority of the bank's loans are inside its assessment area.

Based on a sampling of 60 loans from 2019, 2020, and 2021 (20 loans per year), the bank originated and purchased 55.0 percent of its small business loans inside the bank's assessment area. This analysis is performed at the bank, rather than the assessment area, 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	33	55.0	27	45.0	60	13,073	52.04	12,048	47.96	25,121

Description of Institution

QNB is an intrastate community bank headquartered in the city of Suwanee (Gwinnett County), Georgia. The bank is wholly owned by Quantum Capital Corporation, a one-bank holding company, also located in Suwanee, Georgia. At September 30, 2021, the bank reported total assets of \$623 million, total liabilities of \$558 million, and total equity capital of \$63 million. The loan portfolio, net of the allowance for loan and lease losses totaled \$539 million and represented 87.0 percent of total assets.

The bank has designated a single assessment area which includes the contiguous Georgia counties of Forsyth, Fulton, Gwinnett, DeKalb, and Clayton. The bank serves its assessment area through its main office in Suwanee and two branch offices, one located in the city of Milton and the other in the Buckhead area of Atlanta (both in Fulton County). All locations offer a drive-through facility and a deposit taking automated teller machine (ATM).

QNB is a commercial bank that focuses on real estate related and other commercial lending and deposit services to small businesses. It is through commercial lending channels, as well as donations and other qualified community development investments and services, that the bank primarily serves the needs of small businesses and low- and moderate-income segments of the community. The bank's business loan customers mainly consist of enterprises dedicated to real estate development and rehabilitation, as well as convenience store owners and hotel/motel operators. Commercial lending products offered include lines of credit, equipment financing, loans for constructing and rehabilitating residential property, and loans on commercial buildings such as offices and medical facilities. The bank also engages in Small Business Administration (SBA) lending and originated a high volume of SBA Paycheck Protection Program loans during the period reviewed. Other product offerings geared toward the support of small businesses include mobile banking with remote deposit capture, business credit cards, and sweep accounts. Additionally, consumer and retail lending services are available; however, the bank's activity in these areas is not significant.

Competition for loans and deposits within the AA is strong. There are 61 competitor banks operating in QNB's assessment area, with a combined 638 branch offices. Approximately one-third have a larger asset size than QNB, and/or a larger share of deposits in the assessment area. The top competitors in the assessment area include large regional/national banks, namely Truist Bank, Bank of America, Wells Fargo, and JP Morgan Chase.

There are no known legal, financial, or other impediments affecting the bank's ability to help meet the credit needs of its assessment area. QNB received a rating of "Satisfactory" at the last CRA Evaluation dated November 26, 2018.

Scope of the Evaluation

Evaluation Period/Products Evaluated

QNB's performance was evaluated under the Intermediate Small Bank Community Reinvestment Act (CRA) examination procedures. These procedures consist of two components: a lending test and a CD test. The lending test is an assessment of the bank's record of meeting the credit needs of its assessment area through its lending activities. The bank offered both residential and commercial loan products but is primarily a commercial lender. As a result, the OCC focused on small business loan products for this

evaluation. The CD test is an assessment of the bank's responsiveness to community development needs in the assessment area through engaging in qualified lending, investment, donation, and service activities that benefit the assessment area. The evaluation period for both the lending and CD tests was January 1, 2019, through December 31, 2021.

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. Refer to appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

Ratings

QNB's overall rating is based solely on the State of Georgia rating as this is the only rating area. The state rating is based on performance in the bank's designated 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 (or any affiliate whose loans have been considered as part of the institution's lending performance) 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 Georgia

CRA rating for the State of Georgia¹: Outstanding

The Lending Test is rated: Outstanding

The Community Development Test is rated: Outstanding

The major factors that support this rating include:

- The overall geographic distribution of small business loans is excellent.
- The distribution of loans to businesses of different sizes is excellent.
- Excellent responsiveness to the needs of the communities through CD lending and investments.

Description of Institution's Operations in Georgia

The bank's main office is located in the city of Suwanee (Gwinnett County). The bank operates two additional branch offices, one in the city of Milton, and the other in the Buckhead area of Atlanta (both Fulton County). QNB has one assessment area. The assessment area includes the contiguous Georgia counties of Gwinnett, Fulton, Clayton, DeKalb, and Forsyth. All counties are part of the Atlanta-Sandy Springs-Alpharetta Metropolitan Statistical Area (MSA). The Atlanta MSA is one of the nation's top-performing large metro areas. The MSA is recognized as the transportation, distribution, and cultural center of the Southeastern United States. The Atlanta MSA encompasses the city of Atlanta and 29 surrounding counties. It accounts for more than half of the state's economy and is largely responsible for its robust growth. The banking environment in the Atlanta MSA is highly competitive and includes a variety of financial institutions including community banks, large banks, and credit unions.

The following provides demographic data for each county within the bank's AA.

Fulton County

According to 2020 U.S. Census data, Fulton County is the state of Georgia's most populous county, with a total population of approximately one million. The county seat is the city of Atlanta, which is also the state capital. The 2020 Census Bureau data reflects a median family income for Fulton County of \$69,673, with a poverty level of 13.0 percent. The 2020 Census data states that the total number of housing units in Fulton County is 488,670, with an owner-occupied housing rate of 51.6 percent. According to the same data, the Fulton County median housing value for owner-occupied units is \$313,300. The U.S. Bureau of Labor Statistics data indicate that as of December 2021, the unemployment rate for Fulton County was 2.7 percent, and that the rate has steadily declined from a high of 13.8 percent in January 2019. These statistics are indicative of a robust economy. Major employers in Fulton County include Delta Airlines and the Coca Cola Company, as well as hospital systems such as Northside and Piedmont Healthcare. Fulton County is also home to two large universities. These include the Georgia Institute of Technology and Georgia State University.

¹ This rating reflects performance within the state. The statewide evaluations do not reflect performance in the parts of those states contained within the MMSA.

Gwinnet County

For Gwinnett County, 2020 Census Bureau data reflects a median family income of \$71,026, with a poverty level of 10.4 percent. According to 2020 Census data, the total number of housing units in Gwinnett County is 316,334, with an owner-occupied housing rate of 66.3 percent. The data also reflects a median housing value for owner-occupied units of \$217,900. U.S. Department of Labor and Statistics data indicate that as of December 2021, the unemployment rate for Gwinnett County is 2.1 percent. The unemployment rate has steadily declined since the April 2020 rate of 12.4 percent. The 2020 Census data reflects that the Gwinnett County population (957,062) is nearly as large as that of Fulton County. The largest employers in Gwinnett County include the Gwinnett County school system and the county government, Publix, Walmart, and Northside Hospital.

Dekalb, Forsyth and Clayton Counties

QNT does not maintain offices in Dekalb, Forsyth, or Clayton Counties, but includes them as part of its assessment area. According to 2020 Census Bureau data, of all five counties in the assessment area, Forsyth has the highest median family income level of \$107,218. By contrast, Clayton County has the lowest median family income in the five-county assessment area (\$47,864), with Dekalb County ranked fourth, with a median family income of \$62,399. The 2020 Census data indicates a total population for Dekalb County of 764,382, making it the third most populous county in the five-county assessment area. The lowest population is Forsyth County (251,283), with Clayton County ranked fourth in population size (297,595). In addition to having the lowest median family income level for the five counties included in the assessment area, Clayton County also has the highest 2020 poverty level percentage (16.9 percent) and the highest unemployment rate (3.6 percent as of December 2021). The 2020 poverty levels for Dekalb and Forsyth County are 15.8 percent and 5.1 percent, respectively. The December 2021 unemployment percentages for Dekalb and Forsyth County are 2.6 percent and 1.73 percent, respectively. Thus, with the highest median family income level and the lowest poverty level and unemployment percentages as indicators, Forsyth is the most affluent of the five counties included in the assessment area. Major employers in Forsyth County include Northside Hospital, Tyson Foods, and the Forsyth County Government. Clayton County is home to Hartsfield-Jackson International Airport, which is the busiest airport in the U.S. Major employers in Clayton County include Delta Airlines, which has established its nationwide HUB in the city of Atlanta. Other major employers in Clayton County include Southern Regional Medical Center and Clayton State University. Major employers in Dekalb County include Emory University Health Systems, Agnes Scott College, and the Decatur Board of Education.

The following table provides a combined summary of the demographic information for QNB's assessment area.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Gwinnett, Fulton, Clayton, Dekalb, and Forsyth						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	557	15.8	26.2	21.9	34.6	1.4
Population by Geography	3,022,938	11.4	26.3	26.0	35.8	0.5

Housing Units by Geography	1,221,022	12.8	26.6	24.2	36.1	0.2
Owner-Occupied Units by Geography	625,407	5.3	20.7	28.8	45.2	0.0
Occupied Rental Units by Geography	447,051	20.2	33.3	19.1	26.9	0.5
Vacant Units by Geography	148,564	22.0	31.6	20.6	25.6	0.2
Businesses by Geography	479,826	8.0	22.0	23.9	45.3	0.8
Farms by Geography	6,286	6.5	21.4	29.7	42.2	0.3
Family Distribution by Income Level	683,014	24.2	16.3	16.9	42.7	0.0
Household Distribution by Income Level	1,072,458	25.0	16.3	17.0	41.8	0.0
Median Family Income MSA - 12060 Atlanta-Sandy Springs-Alpharetta, GA MSA		\$67,322	Median Housing Value			\$201,572
			Median Gross Rent			\$1,016
			Families Below Poverty Level			13.0%
<i>Source: 2015 ACS and 2020 D&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>						

Community Contacts

To help identify community credit needs and bank opportunities to meet those needs, we reviewed community contact forms prepared within the evaluation period. A local city economic development corporation (located in Fulton County) noted that the economy was relatively healthy, with a low unemployment rate. The contact raised the need for banks to participate in the SBA's Payment Check Protection Program to benefit small businesses and protect local jobs. The contact also identified the need for more banks in the area to offer micro loans tailored to meet specific small business needs. Another economic development corporation located in Dekalb County identified similar demands for small business lending, as well as the need for banks to provide financial literacy education for low-and moderate-income families/individuals.

Scope of Evaluation in Georgia

The bank has only one assessment area, for which a full-scope review was performed. The bank's loan product reviewed was small business lending. CD loans, qualified investments/donations and services were also considered as part of this evaluation.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN GEORGIA

LENDING TEST

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

Based on a full scope review of the bank's small business lending product and channels, the bank's lending performance in the state of Georgia is excellent. The OCC's analysis only considered commercial lending products as the volume of home mortgage loans was minimal.

Distribution of Loans by Income Level of the Geography

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

Small Loans to Businesses

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

Overall, the bank's lending reflects an excellent geographic distribution of loans to small businesses. Based on our sample, the bank's percentage of small business lending in both low- and moderate-income geographies exceeds the aggregate of all lenders originating small business loans in the assessment area. Specifically, in low-income geographies, the bank originated 13.33 percent of its lending to small businesses, while the aggregate of all lenders originated 6.4 percent. In moderate-income geographies, the bank originated 30.0 percent of lending to small businesses, exceeding the aggregate of 19.4 percent.

Distribution of Loans by Income Level of the Borrower

The bank exhibits an excellent distribution of loans to businesses of different sizes in the state of Georgia.

Small Loans to Businesses

Refer to Table R in the state of Georgia section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to businesses.

Overall, the bank's lending levels reflect an excellent borrower distribution of loans to small businesses. The percentage of small loans to businesses (businesses with annual gross revenues of \$1 million or less) exceeds the aggregate of all lenders originating small business loans in the assessment area. Specifically, 73.33 percent of the bank's business lending was to businesses with gross annual revenues less than \$1 million, while the aggregate of all lenders was 46.7 percent.

Responses to Complaints

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

COMMUNITY DEVELOPMENT TEST

The bank's performance under the Community Development Test in the state of Georgia is rated Outstanding. Overall, the bank demonstrated excellent responsiveness to community development needs within its assessment area. The bank originated a high level of community development loans and made

a significant number of qualified investments/donations that met the needs of low- and moderate-income families/individuals and small businesses.

Number and Amount of Community Development Loans

The Community Development Loans Table, shown below, sets forth the information and data used to evaluate the bank's level of CD lending. The table includes all CD loans, including multifamily loans that also qualify as CD loans.

<i>Community Development Loans</i>				
Assessment Area	Total			
	#	% of Total #	\$(000's)	% of Total \$
QNB	31	100	30,611	100

QNB demonstrated excellent responsiveness to CD needs when offering qualifying CD loans to low- and moderate-income individuals and loans that benefit low- and moderate-income areas in the assessment area. During the three-year evaluation period, the bank originated 31 CD loans totaling in excess of \$30 million in its assessment area. These loans were made for a variety of purposes including SBA loans (not already counted under the lending test) and loans secured by multi-family units used to revitalize and stabilize low- and moderate-income geographies.

Additionally, the bank processed and funded 1,858 loans totaling \$142 million through the SBA's Paycheck Protection Program (PPP). The purpose of the program was to help small businesses retain their workforce through the COVID-19 crisis. The total number of Georgia jobs impacted as a result of these loans was 20,328.

Number and Amount of Qualified Investments

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
QNT	0	0	30	802	30	100	802	100	0	0

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

** Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

The bank made a significant number and amount of qualified investments in its assessment area. The Qualified Investment Table, shown above, sets forth information and data used to evaluate the bank's level of qualified CD investments.

The bank's donations were to organizations that benefit and promote affordable housing and education for low- and moderate-income families, and to organizations that provide general life assistance programs to the underprivileged. Particularly notable is the bank's participation in the Gwinnett Habitat for Humanity's IDA program, where the bank matched funds that were deposited by potential

homeowners. The future homeowners were required to complete financial literacy courses over a period of several months. Other donations of note were made to organizations such as HomeAid Atlanta, the No Limits Community Development Corporation, the Atlanta Children's Foundation, and Rainbow Village. Aside from the qualifying donations, QNB purchased certificates of deposits from two minority-owned financial institutions, each for \$249,000.

Extent to Which the Bank Provides Community Development Services

The bank provided an adequate level of CD services within its assessment area.

Through contact with the Georgia Bankers Association, bank management became aware of the need to assist various Georgia banks in providing PPP loans to small businesses. As QNB is primarily positioned as a commercial lender, the bank had the necessary expertise and technological capabilities to process and fund PPP loans that were not readily accessible to other banks. QNB reached out to 22 banks statewide to ensure that 187 loans in the total amount of \$7.3 million were made to small businesses under the program. The bank also lent technical expertise to a local mortgage company in accessing funds through the Federal Home Loan Bank of Atlanta's Homeownership Program. As a result, 141 low- and moderate-income individuals/families were assisted in the purchase of a home.

Bank employees also served as volunteers for the Junior Achievement organization. In this capacity, bank employees provided financial education to children attending schools where the majority of students qualify for free lunch programs.

Appendix A: Scope of Examination

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

Time Period Reviewed:	January 1, 2019 through December 31, 2021	
Bank Products Reviewed:	Small business loans (including PPP loans) Community development loans, qualified investments, and community development services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None		
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
State		
Atlanta-Sandy Springs-Alpharetta Metropolitan Statistical Area (MSA)	Full Scope	Counties of Gwinnett, Fulton, Clayton, Dekalb, and Forsyth

Appendix B: Summary of MMSA and State Ratings

RATINGS (Quantum National Bank)			
Overall Bank:	Lending Test Rating*	CD Test Rating	Overall Bank/State/Multistate Rating
MMSA or State:			
Georgia	Outstanding	Outstanding	Outstanding

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

Appendix C: Definitions and Common Abbreviations

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

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 30th 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 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 Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																2019-2021		
Assessment Area:	Total Loans to Small Businesses			Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available- Income Tracts		
	#	\$(000s)	% of Total	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
QNB	60	22,768	23.51	7.9	13.33	6.4	21.5	30.0	19.4	24.4	21.67	22.5	45.3	35.0	51.2	1.0	0	.6
<i>Source: 2018 D&B Data; 01/01/2018 - 12/31/2018. Bank Data derived from sampling 2019, 2020, and 2021 Small Business Loans (20 loans per year). Due to rounding, totals may not equal 100.0</i>																		

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		
QNB	60	22,768	23.51	96,827	87.1	73.33	46.7	4.9	26.66	8.0	0		
Total													
<i>Source: 2018 D&B Data; 01/01/2018 - 12/31/2018 Bank Data derived from sampling 2019, 2020, and 2021 Small Business Loans (20 loans per year).. Due to rounding, totals may not equal 100.0</i>													