



**PUBLIC DISCLOSURE**

October 13, 2021

**COMMUNITY REINVESTMENT ACT  
PERFORMANCE EVALUATION**

Peoples National Bank of Kewanee  
Charter Number 14418

207 North Tremont Street  
Kewanee, Illinois 61443

Office of the Comptroller of the Currency  
Peoria Field Office  
211 Fulton Street, Suite 604  
Peoria, Illinois 61602

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

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## Overall CRA Rating

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

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

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

The major factors that support this rating include:

- The Lending Test rating is based on the outstanding performance for the state of Illinois.
- The Community Development (CD) Test rating is based on the outstanding performance for the state of Illinois.
- The loan-to-deposit (LTD) ratio is reasonable given its performance context.
- The bank originates a substantial majority of its loans within its assessment areas (AAs).

### Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AAs, the bank's LTD ratio is reasonable given its performance context.

The quarterly average LTD ratio was 44.10 percent for the ten-quarter period from January 1, 2019, to June 30, 2021, with a low LTD ratio of 31.10 percent and a high LTD ratio of 53.32 percent.

Peoples National Bank of Kewanee (PNB or bank) ranked eighteenth of eighteen similarly situated FDIC insured financial institutions that compete with the bank for deposits in the AAs. The comparable institutions ranged in asset size from \$230 million to \$880 million and reported quarterly average LTD ratios from 56.17 percent to 104.64 percent. PNB's quarterly average LTD ratio has been trending downward since the last CRA exam due to low loan demand, marketplace competition, and increasing deposit levels.

### Lending in Assessment Area

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

The bank originated and purchased 90.1 percent of its total loans inside the bank's AAs during the evaluation period. This analysis is performed at the bank, rather than the AA, level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria.

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		
	#	%	#	%		\$	%	\$	%	
Commercial Loans	82	90.1	9	9.9	91	2,472	66.4	1,252	33.6	3,724

Total	82	90.1	9	9.9	91	2,472	66.4	1,252	33.6	3,724
Source: Evaluation Period 1/1/2019 to 12/31/2020 Bank Data Due to rounding, totals may not equal 100.0%										

## Description of Institution

PNB is a \$548 million intrastate institution headquartered in Kewanee, Illinois, located in north central Illinois with nine branch locations. PNB did not close any facilities since the previous CRA evaluation. The bank acquired Reynolds State Bank and its location on February 26, 2021, which is subsequent to this exam's evaluation period. The resulting expansion of the AA and any lending activities will be analyzed during the next CRA examination.

There was no change in PNB's corporate structure since the previous CRA evaluation. The bank does not have any affiliates or subsidiaries that would affect their ability to meet the credit needs of the community.

The CRA evaluation has three rating areas. The nonmetropolitan AA (NonMSA AA) is composed of select census tracts (CTs) of Bureau, LaSalle, Livingston, and Whiteside counties, which are nonmetropolitan areas. The Henry County AA (Henry MSA AA) is composed of certain CTs of Henry County, which is part of the Davenport-Moline-Rock Island, IA-IL MSA. The Stark County AA (Stark MSA AA) is composed of all CTs of Stark County, which is part of the Peoria, IL MSA. Refer to appendix A, Scope of Examination, for a list of geographies comprising each AA.

The NonMSA AA includes five branches with drive-thru services, nine ATM sites, and banking services available on Saturdays. The Henry MSA AA includes three branches with drive-thru services and six ATM sites, as well as banking services available on Saturdays. The Stark MSA AA has one branch with one ATM with banking services available on Saturdays, although there is no drive-thru service. Customers also have banking access through online and mobile platforms.

The bank sources a majority of its deposits, 58.5 percent, from the NonMSA AA, as of June 30, 2021.

PNB's strategy is to provide superior products and services to build relationships with its communities, customers, and employees. There are no legal, financial, or other factors impeding the bank's ability to help meet the credit needs in the bank's assessment areas. The bank's previous Small Bank CRA rating was "Outstanding" as detailed in the April 15, 2019, Performance Evaluation.

PNB held 27 percent of net loans and leases to total assets and had a Tier One Leverage Capital ratio of nine percent at June 30, 2021. The bank is primarily a commercial lender and offers a full range of deposit and loan products and services. Commercial lending represented the largest loan portfolio at \$98 million, followed by agricultural lending at \$25 million, residential real estate lending at \$19 million, and consumer lending at \$4 million at June 30, 2021. PNB also originates home mortgage loans for sale into the secondary market.

Competition for loans is high due to competition within the AAs and due to the proximity to the larger banking markets of the Quad Cities, Peoria, Bloomington, and Morris. PNB competes with national banks, state banks, credit unions, farm credit unions, and non-bank lenders.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

The evaluation period covers the period from the date of the previous CRA PE of April 15, 2019, to October 13, 2021. We evaluated PNB under the Intermediate Small Bank evaluation procedures, which includes a Lending Test and a CD Test.

The Lending Test evaluated loans originated or purchased between January 1, 2019, and December 31, 2020, and were compared to the 2015 American Community Survey Census Data.

The CD Test evaluated eligible community development loans, investments, and services from January 1, 2019, to December 31, 2020.

PNB's primary loan products are business loans based on the number and dollar amount of loans originated and purchased between January 1, 2019, and December 31, 2020, per bank data. This product accounted for 52.6 percent, by dollar, and 56.4 percent, by number, of originations and purchases. Business loans are also the strategic focus of the bank.

PNB is not required to maintain CRA loan application register data on business lending outside of individual credit files. Therefore, we utilized random sampling to obtain data for business loans. We obtained the gross revenues of business borrowers and geocoded each loan sampled.

### Selection of Areas for Full-Scope Review

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

### Ratings

The bank's overall rating is a blend of the state ratings, and where applicable, multistate ratings.

The NonMSA rating area received a slightly greater weighting as a majority of the bank's branches and deposit activity is within the NonMSA AA.

The MMSA rating and state ratings are based on performance in all bank AAs. Refer to the "Scope" section under each state and MMSA Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

## **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 Illinois

**CRA rating for the State of Illinois<sup>1</sup>:** Outstanding

**The Lending Test is rated:** Outstanding

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

The major factors that support this rating include:

- The borrower distribution of loans reflects excellent performance.
- The geographic distribution of loans reflects excellent performance.
- The CD lending, qualified investments, and CD services reflects excellent responsiveness.

### Description of Institution's Operations in Illinois

PNB's lending strategy in Illinois is focused on business lending. PNB serves its customers with nine branches and twenty ATMs. Each branch location provides banking services on Saturdays, and eight branches offer drive-thru service. One branch and five ATMs are located in moderate-income geographies. Refer to appendix A, Scope of Examination, for a list of geographies comprising the AAs as well as full- and limited-scope AAs.

Major employment sectors include agriculture, health care, education, manufacturing, and retail services.

The annual unemployment rate in the State of Illinois was declining in 2019 but in 2020 was increasing due to the Covid-19 pandemic. The annualized unemployment rates were 4.0 percent in 2019 and 9.5 percent in 2020. Most of the counties were higher than the State of Illinois in 2019 while Henry, LaSalle, and Stark Counties compared unfavorably. Unemployment rates in the AA were high during 2020 due to the Covid-19 pandemic, with Whiteside and LaSalle Counties experiencing the highest in the AA with 8.0 and 9.4 percent, respectively, for 2020.

Competition for loans and deposits is high among financial institutions in the AA due to the number and variety of financial institutions within and accessible to the AA. Competing institutions include national banks, state banks, federal thrifts, farm credit institutions, credit unions, and other nonbank lenders.

PNB held the fifteenth highest deposit market share position in the NonMSA AA at 2.6 percent among 47 FDIC insured financial institutions, at June 30, 2021. The top five institutions held a deposit market share of 36.0 percent in the NonMSA AA.

PNB held the fourth highest deposit market share position in the Henry MSA AA at 9.9 percent among eleven FDIC insured financial institutions, at June 30, 2021. The top three institutions held a deposit market share of 52.5 percent in the Henry MSA AA.

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

PNB held the third highest deposit market share position in the Stark MSA AA at 12.0 percent among four FDIC insured financial institutions, at June 30, 2021. The top two institutions held a deposit market share of 79.6 percent in the Stark MSA AA.

Housing costs are generally affordable in the AAs for moderate-income families when considering the median housing value but may present challenges for some low-income families when also considering property tax rates in Illinois. The level of families below poverty increased from 2019 to 2020 in the AAs, which may reduce opportunities for lending, particularly to lower income families.

A community contact from the NonMSA AA stated loans to small businesses are the greatest credit need of the communities in the AA. The community contact from the Henry MSA AA noted there were no unmet credit needs of the AA but stated PNB is responsive in meeting the credit needs of its communities.

## NonMSA AA

Table A – Demographic Information of the Assessment Area						
Assessment Area: NonMSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	10	0.0	0.0	100.0	0.0	0.0
Population by Geography	35,648	0.0	0.0	100.0	0.0	0.0
Housing Units by Geography	15,137	0.0	0.0	100.0	0.0	0.0
Owner-Occupied Units by Geography	10,317	0.0	0.0	100.0	0.0	0.0
Occupied Rental Units by Geography	3,094	0.0	0.0	100.0	0.0	0.0
Vacant Units by Geography	1,726	0.0	0.0	100.0	0.0	0.0
Businesses by Geography	1,706	0.0	0.0	100.0	0.0	0.0
Farms by Geography	384	0.0	0.0	100.0	0.0	0.0
Family Distribution by Income Level	9,513	17.2	16.2	21.3	45.3	0.0
Household Distribution by Income Level	13,411	18.4	14.6	16.3	50.6	0.0
Median Family Income Non-MSAs - IL		\$59,323	Median Housing Value			\$112,923
			Median Gross Rent			\$707
			Families Below Poverty Level			9.6%
<i>Source: 2015 ACS and 2019 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>						

## Henry MSA AA

Table A – Demographic Information of the Assessment Area						
Assessment Area: Henry MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #



Geographies (Census Tracts)	9	0.0	44.4	55.6	0.0	0.0
Population by Geography	27,968	0.0	45.5	54.5	0.0	0.0
Housing Units by Geography	13,124	0.0	45.9	54.1	0.0	0.0
Owner-Occupied Units by Geography	8,633	0.0	40.9	59.1	0.0	0.0
Occupied Rental Units by Geography	3,144	0.0	54.8	45.2	0.0	0.0
Vacant Units by Geography	1,347	0.0	56.9	43.1	0.0	0.0
Businesses by Geography	1,453	0.0	39.3	60.7	0.0	0.0
Farms by Geography	295	0.0	10.2	89.8	0.0	0.0
Family Distribution by Income Level	7,488	26.0	20.5	21.7	31.8	0.0
Household Distribution by Income Level	11,777	27.7	18.9	18.7	34.7	0.0
Median Family Income MSA - 19340 Davenport-Moline-Rock Island, IA-IL MSA		\$66,600	Median Housing Value			\$81,911
			Median Gross Rent			\$565
			Families Below Poverty Level			10.2%
<i>Source: 2015 ACS and 2019 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>						

## Scope of Evaluation in Illinois

Both the NonMSA and Henry MSA AAs received a full-scope review. The NonMSA rating area received a slightly greater weighting as a majority of the bank's branches and deposit activity is within the NonMSA AA. The Stark MSA AA received a limited-scope review.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN ILLINOIS

### LENDING TEST

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

### Conclusions for Areas Receiving Full-Scope Reviews

Based on full- and limited-scope reviews, the bank's lending performance in the state of Illinois is excellent.

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

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

#### *Small Loans to Businesses*

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

The distribution of business loans reflects excellent distribution in the AAs.

We did not perform a geographic distribution of loans in the NonMSA AA at this evaluation. Since all geographies are middle-income, the analysis would not be meaningful.

The proportion of lending in the moderate-income geographies in the Henry MSA AA significantly exceeds the percentage of businesses in moderate-income CTs and was significantly stronger than the aggregate distribution. There were no low-income geographies during the evaluation period in the Henry MSA AA.

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

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

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

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

The distribution of business loans reflects excellent penetration in the AAs.

The distribution of business loans reflected excellent penetration to businesses of different sizes. The proportion of lending to small businesses exceeded the percentage of small businesses in the AA and was significantly stronger than the aggregate distribution for both the NonMSA AA and Henry MSA AA.

### **Responses to Complaints**

PNB did not receive any complaints about its performance in helping to meet the credit needs of its AA during the evaluation period.

### **Conclusions for Area Receiving a Limited Scope Review**

Based on a limited-scope review, the bank's performance under the Lending Test in the Stark MSA AA is consistent with the bank's overall performance under the Lending Test in the full scope areas.

## **COMMUNITY DEVELOPMENT TEST**

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

### **Conclusions for Areas Receiving Full-Scope Reviews**

Based on full-scope and limited-scope reviews, the bank exhibits excellent responsiveness to community development needs in the state through community development loans, qualified investments, and community development services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's assessment areas.

## Number and Amount of Community Development Loans

PNB's CD lending performance represents excellent responsiveness in the full-scope areas, given the opportunities and needs.

PNB made use of responsive flexible lending during the Covid-19 pandemic by originating loans to stabilize small businesses and communities through the SBA Paycheck Protection Program (PPP). The bank originated 60 PPP loans in the Henry MSA AA totaling \$2.8 million and 51 PPP loans in the NonMSA AA totaling \$1.2 million. PNB originated an additional 24 PPP loans totaling \$1.1 million in the statewide area of Illinois. Total PPP loans of \$5.3 million receiving consideration reflect 11.3 percent of tier one capital. This activity received positive consideration as it provided stabilization of small businesses and communities.

## 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)
Henry MSA	7	3,420			7	77.8	3,420	64.6		
NonMSA			2	1,875	2	22.2	1,875	35.4		

\* 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.

PNB's CD investment performance represents excellent responsiveness in the full-scope areas. PNB had prior period and current period investments consisting of municipal bonds supporting LMI CTs and individuals in the bank's AA and surrounding areas. Total investments reflect 11.0 percent of tier one capital.

PNB also made \$30 thousand in donations in the bank's AAs supporting organizations that provided services to LMI persons, including various health and human services, homeless shelters, and food banks.

## Extent to Which the Bank Provides Community Development Services

PNB's CD service performance represents excellent responsiveness in the full-scope areas. PNB bank officers provided 900 service hours in leadership positions across both AAs.

PNB's delivery systems are reasonably accessible to individuals of different incomes and businesses of different sizes via branches, ATMs, and online and mobile platforms. Additionally, one branch and five ATMs are located in moderate-income geographies.

In response to the Covid-19 pandemic, PNB assisted home mortgage, consumer, and business loan customers by providing forbearance assistance to impacted borrowers. PNB provided forbearance assistance to 187 borrowers experiencing difficulties during the Covid-19 pandemic. These efforts

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

received positive consideration as they promoted housing stability and stabilization of small businesses and communities.

PNB participates in lending programs to help meet the credit needs of LMI borrowers. PNB participates in the USDA Rural Housing Loan program that helps LMI borrowers purchase homes in rural areas. They also offer FHA and VA loans, which have lower down payment requirements for borrowers. These programs are available in all AAs.

### **Conclusions for Area Receiving a Limited Scope Review**

Based on a limited-scope review, the bank's performance under the CD Test in the Stark MSA AA is weaker than the bank's overall performance under the CD Test in the full scope areas. This is attributed to the bank's limited presence in this market given the one branch location and limited CD opportunities in the Stark MSA AA. The bank's performance under the CD Test in the Stark MSA AA is satisfactory.

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

<b>Time Period Reviewed:</b>	Lending Test & Community Development Test: 01/01/2019 to 12/31/2020	
<b>Bank Products Reviewed:</b>	Small business loans, community development loans, qualified investments, and community development services	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
N/A	N/A	N/A
<b>List of Assessment Areas and Type of Examination</b>		
<b>Rating and Assessment Areas</b>	<b>Type of Exam</b>	<b>Other Information</b>
<b>Illinois</b>		
Henry MSA AA	Full-Scope	Henry County CTs 302.02, 304, 305, 306, 308, 309, 310, 311, 312
NonMSA AA	Full-Scope	Bureau County CTs 9648, 9655, 9656 LaSalle County CTs 9624, 9637 Livingston County CTs 9601, 9602, 9603, 9609 Whiteside County CT 8
Stark MSA AA	Limited-Scope	All CTs in Stark County

## Appendix B: Summary of MMSA and State Ratings

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RATINGS		(BANK NAME)	
Overall Bank:	Lending Test Rating*	CD Test Rating	Overall Bank/State/Multistate Rating
	Outstanding	Outstanding	Outstanding
MMSA or State:			
Illinois	Outstanding	Outstanding	Outstanding

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

## Appendix C: Definitions and Common Abbreviations

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

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

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

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

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

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

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

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

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into ‘male householder’ (a family with a male householder’ and no wife present) or ‘female householder’ (a family with a female householder and no husband present).

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

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

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

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

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

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

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

**Low Income Geography:** A census 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 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																			2019-20
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Henry MSA AA	--	--	--	226	0.0	--	0.0	39.3	74.3	39.8	60.7	25.7	60.2	0.0	--	0.0	0.0	--	0.0
<i>Source: 2020 D&amp;B Data; 01/01/2019 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data, "--" data not available.                      Due to rounding, totals may not equal 100.0%</i>																			

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2019-20
Assessment Area:	Total Loans to Small Businesses			Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available		
	#	\$	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
NonMSA AA	--	--	315	78.3	95.8	49.2	5.4	4.2	16.4	0.0	
Stark MSA AA	--	--	100	67.0	100.0	46.0	7.5	0.0	25.5	0.0	
Henry MSA AA	--	--	226	74.2	77.1	46.9	6.0	14.3	19.8	8.6	
<i>Source: 2019 D&amp;B Data; 01/01/2019 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data, "--" data not available.                      Due to rounding, totals may not equal 100.0%</i>											