



PUBLIC DISCLOSURE

November 9, 2020

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

MidFirst Bank
Charter Number: 714191

501 NW Grand Boulevard
Oklahoma City, OK 73118

Office of the Comptroller of the Currency

Midsized Bank Supervision
425 S Financial Place, Suite 1700
Chicago, IL 60605

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

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Overall CRA Rating

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

The following table indicates the performance level of **MidFirst Bank (MFB)** with respect to the Lending, Investment, and Service Tests:

Performance Levels	MidFirst Bank Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding	X		
High Satisfactory		X	
Low Satisfactory			X
Needs to Improve			
Substantial Noncompliance			

* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.

The major factors that support this rating include:

- The Outstanding Lending Test rating is based on the performance in the state of Arizona, Colorado, and Oklahoma rating areas. The performance of the bank’s community development (CD) loans had a significantly positive impact in several rating areas. Additionally, consideration was given to the volume of loss mitigation plans to low-and moderate-income (LMI) individuals and in LMI geographies within the bank’s assessment areas (AA), as well as the use of flexible loan products.
- The High Satisfactory Investment Test rating is based on the performance in the state of Arizona, Colorado, and Oklahoma rating areas. The bank exhibits good responsiveness to credit and community economic development needs.
- The Low Satisfactory Service Test rating is based on the performance in the state of Arizona, Colorado, and Oklahoma rating areas. Service delivery systems are reasonably accessible to geographies and individuals of different income levels in Arizona, Colorado and Oklahoma, respectively.

Lending in Assessment Area

An adequate percentage of the bank’s loans are in in its AA.

As noted in Table D, the inside/outside ratio of 14.8 percent improved from the 12.1 percent cited at the last CRA examination dated October 30, 2017.

The bank originated and purchased 14.8 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.

This low percentage is consistent with MFB’s results over the past 20 years given the bank’s strategy to purchase delinquent Federal Housing Administration (FHA) and Veterans Affairs (VA) loans and to assist borrowers with loss mitigation. The following mitigating factors were provided by the bank for consideration:

- Of the 85,334 home mortgage loans made, 78,035 or 91.4 percent were purchased mortgages for the period of 2017-2019. Of the purchased loans, 2,947 or 3.8 percent are within its AA. MFB originated 7,299 mortgage loans with 5,712 or 78.3 percent made within its AA. For the review period of 2017-2019, the bank originated 5,712 mortgage loans and purchased mortgage loans of 2,947 for a total of 8,659 mortgage loans within its AA.
- Of the 5,669 small business loans made during the period of 2017-2019, 4,807 or 84.8 percent were made within the bank’s AA.
- MFB’s 2019 HMDA lending rank and market share is in the top 10th percentile of all mortgage lenders for all AAs except for the AAs of Los Angeles-Long Beach-Glendale, Boulder MSA and Colorado Non-MSA.

Table D - 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	1,479	9.9	13,440	90.1	14,919	412,481	24.6	1,260,904	75.4	1,673,385
2018	3,191	12.2	22,910	87.8	26,101	678,653	20.9	2,572,242	79.1	3,250,895
2019	3,989	9.0	40,325	91.0	44,314	1,116,675	16.3	5,727,534	83.1	6,844,209
Subtotal	8,659	10.1	76,675	89.9	85,334	2,207,809	18.8	9,560,680	81.2	11,768,489
Small Business										
2017	1,489	84.8	266	15.2	1,755	338,674	78.0	95,339	22.0	434,013
2018	1,500	85.1	262	14.9	1,762	350,526	79.1	92,871	20.9	443,397
2019	1,818	84.5	334	15.5	2,152	396,526	77.0	118,134	23.0	514,660
Subtotal	4,807	84.8	862	15.2	5,669	1,085,726	78.0	306,344	22.0	1,392,070
Small Farm										
2017	1	50	1	50	2	100	48.5	106	51.5	206
2019	1	50	1	50	2	100	48.5	106	51.5	206
Subtotal	2	50	2	50	4	200	48.5	212	51.5	412
Total	13,468	14.8	77,539	85.2	91,007	3,293,735	25.0	9,867,236	75.0	13,160,971

Source: Evaluation Period: 1/1/2017 - 12/31/2019 Bank Data
 Due to rounding, totals may not equal 100.0

Description of Institution

MidFirst Bank is a multistate bank headquartered in Oklahoma City, Oklahoma. MFB is a wholly owned subsidiary of Midland Financial Company, a \$23.0 billion savings and loan holding company also headquartered in Oklahoma City, Oklahoma. As of December 31, 2019, MFB had total assets of \$23 billion, total loans of \$16.3 billion, and Tier 1 Capital of \$1.8 billion.

MFB is a full-service bank and its primary business focus is retail lending and banking services. The bank maintains a trust department and originates commercial loans and deposits. During the evaluation period, MFB maintained operations in the states of Oklahoma, Arizona, Colorado and California and entered three new markets in Boulder, CO; Eagle County, CO; and Dallas, TX.

Of the \$23 billion in assets, approximately \$12.7 billion are attributed to traditional bank activities while approximately \$10.3 billion are related to the wholesale mortgage strategies. Approximately 27 percent of total assets are held in FHA and VA loans. A majority of these loans were acquired directly from the bank's servicing pools. The wholesale mortgage strategies are funded primarily through wholesale deposits and borrowed funds.

Because of the large size of the wholesale mortgage strategies relative to total assets, the bank's retail operations are comparable to those banks in the \$12 billion total asset range. As the wholesale mortgage strategies have grown, total assets and capital growth have outpaced the growth in the traditional bank operations resulting in some apparent compression of the ratios used to measure CD activity. Furthermore, these strategies are separate and distinct from MFB's traditional banking strategies which include retail banking activities and activities in core AA markets. The bank monitors the level of bank capital as it relates to CRA activities and investments.

As of December 31, 2019, the bank had total deposits of \$12.4 billion and net loans represent 70.4 percent of total assets. The loan portfolio is comprised of real estate loans and commercial loans, which represent 89.2 percent and 10.0 percent, respectively. Loans to individuals and for agriculture represent less than one percent of the loan portfolio.

As of December 31, 2019, MFB had 80 branches and 180 Automated Teller Machines (ATM) throughout Oklahoma, Arizona, Colorado, California, and Texas. The bank offers a full range of loan and deposit products to individuals and businesses including free checking accounts, electronic bill payment, and mobile banking. Residential mortgage products include conventional mortgages, FHA, VA, land, and construction loans.

According to the FDIC Deposit Market Share Report as of June 30, 2019, with total deposits of \$10.1 billion, MFB is the second largest depository bank in the state of Oklahoma with deposits totaling \$6.8 billion. Deposits in Oklahoma represents 66.7 percent of MFB's total deposits. In Arizona, MFB is the tenth largest deposit taking bank with deposits totaling \$1.9 billion, representing 18.9 percent of the bank's total deposits. In Colorado, MFB is the 27th largest deposit taking bank with deposits totaling \$525 million, representing 5.2 percent of the bank's total deposits. In California, MFB is ranked 74th among deposit taking banks with deposits

totaling \$918 million, representing 9.1 percent of the bank's total deposits. In Texas, MFB is ranked 495th among deposit taking banks with deposits totaling \$13.8 million, representing 0.1 percent of the bank's total deposits.

MFB has several subsidiaries. These subsidiaries were not considered in the scope of this evaluation.

As part of the bank's mortgage loan servicing operation, MFB originated almost 67 thousand loss mitigation plans that are not HMDA-reportable. Approximately 56 percent of the bank's loss mitigation loans were to LMI borrowers and 34 percent in LMI census tracts (CT). These volumes are not included in the HMDA volumes reported in the performance evaluation (PE) tables. These loan modifications provide borrowers an avenue to address delinquency and preserve home ownership. Therefore, loss mitigation volumes were considered in the Lending Test rating.

MFB offers a variety of flexible loan programs to help borrowers in LMI CTs or to assist LMI borrowers. These programs include down payment assistance, closing cost assistance, low interest rates, and small business loans. The Home Free and Home Free for Education programs are available in all AA and offer \$1,500 and \$2,000, respectively, toward borrower closing costs. MFB originated 82 Home Free loans and six Home Free for Education loans totaling \$10 million during the evaluation period. Innovative and flexible loans had a positive impact on the overall Lending Test rating.

Following the devastation of Hurricane Maria in Puerto Rico and the U.S. Virgin Islands, MFB purchased 51 loans and approved loss mitigation plans for 132 loans in these areas. Of the 132 loss mitigation loans, 31 were for properties in LMI CTs, and 24 were to LMI borrowers. All of these loss mitigation plans had disaster relief aspects with 100 being part of formalized investor disaster relief programs.

There are no known legal, financial, or other factors impeding this bank's ability to help meet the credit needs of its AAs. MFB received a "Satisfactory" rating in its prior CRA performance evaluation dated October 30, 2017.

Scope of the Evaluation

Evaluation Period/Products Evaluated

MFB's CRA evaluation period for the Lending Test is January 1, 2017 through December 31, 2019. The Investment Test, Service Test, and all CD activity evaluation period is October 31, 2017 through December 31, 2019. Primary loan products, for the purpose of this evaluation, are products where the bank originated at least 20 loans within an AA during the evaluation period. In our evaluation of the Lending Test we considered and concluded upon mortgage loans (includes home purchase, home refinance, and home improvement loans) and business loans in aggregate. Multifamily loans meeting the CD definition were considered as part of the evaluation of CD lending.

MFB's Lending Test geographical and borrower distribution of loans was based on an assessment of Home Mortgage Disclosure Act (HMDA) and small loans to business. Home mortgage loans include all home purchase, home refinance, and home improvement loans.

We did not include small farm lending as part of this evaluation, as this loan product was not a primary loan product in any of the bank's AAs. To be considered a primary loan product, there must be at least 20 loans in an AA throughout an evaluation period.

With an evaluation period end date of December 31, 2019, qualifying activities performed in response to the significant impact of the Coronavirus Pandemic across the United States are not addressed in this evaluation. Bank qualifying activities will be considered in the subsequent evaluation.

Selection of Areas for Full-Scope Review

In each state where the bank has an office, one or more AA(s) within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated AAs located within the same metropolitan statistical area (MSA), multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope.

Refer to the "Scope" section under each State Rating section 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, based on the results in those areas that received full-scope reviews. There are five rating areas including Arizona, California, Colorado, Oklahoma, and Texas.

As of June 30, 2019, Oklahoma represented 66.7 percent of total deposits and 61.3 percent of bank's branch network. The state of Oklahoma also represents 40.3 percent of reportable HMDA and small business originations.

Arizona represented 18.9 percent of deposits and 27.5 percent of bank's branch network. The state of Arizona represents 37.5 percent of reportable HMDA and small business originations.

California represented 9.1 percent of total deposits and 2.5 percent of the bank's branch network. The state of California represents 6.9 percent of reportable HMDA and small business originations.

Colorado represented 5.2 percent of total deposits and 7.5 percent of bank's branch network. The state of Colorado represents 7.1 percent of reportable HMDA and small business originations.

Texas represented 0.14 percent of total deposits and 1.3 percent of bank's branch network. The state of Texas represented 8.2 percent of reportable HMDA and small business originations.

We placed more weight on the full-scope areas of Arizona, Colorado, and Oklahoma given their deposit and branch percentage representation. For the lending test we gave equal weight

to the HMDA and CRA small business loans, unless otherwise indicated, when determining the rating for the geographic and borrower distribution. No consideration was given to small farm loans because it is not a primary lending product. The bank only made four small farm loans during the evaluation period.

Overall Other Performance Data

Lending Test

Purchase of HMDA Loans – MFB’s business strategies includes purchasing FHA and VA HMDA loans from servicing pools or third parties. Due to the government backed nature of these loans, a traditional underwriting analysis typically does not occur, and therefore borrower income is typically not obtained or verified, and the debt analysis is not performed. As a result, MFB does not report borrower income on the HMDA Loan Application Registry (LAR) for a significant volume of HMDA originated and purchased loans. FHA loans across all lending and all markets tend to have significantly higher concentrations in LMI tracts and to LMI borrowers. For the periods of 2018 and 2019, MFB originated 336 HMDA loans with combined business/commercial and investment property characteristics. These loans do not have borrower income consistent with HMDA instructions, thus the borrower income tables do not reflect this data. Although the borrower income is not known on these loans, 35.7 percent were in LMI tracts of the bank’s AAs.

Loss Mitigation Program – On a nationwide basis for the period of 2017 through 2019, MFB also originated 66,654 loss mitigation plans that are not HMDA reportable. Because MFB’s loss mitigation programs do not result in extinguishment of notes or security agreements (mortgage or deeds of trusts), these loans are not HMDA reportable. Of the 66,654 loss mitigation loans, 62,399 or 94 percent contain verified borrower income data obtained through the loss mitigation application process. Of the 62,399 loans with income, 34,908 or 56 percent were to LMI borrowers and 21,216 or 34 percent were in LMI tracts. See lending test comments in each AA for loss mitigation considerations.

Affordability Analysis – We conducted an affordability analysis for all AAs. Our goal was to determine if LMI borrowers could reasonably afford a home mortgage loan in their respective AA. To determine affordability, we used the median housing value and the adjusted median family income (AMFI) found in the respective Table A, for each AA. We calculated a mortgage payment based on a five percent home mortgage loan, with a 30-year loan amortization. Our analysis concluded that home mortgages were unaffordable if the principle and interest of the payment was in excess of 30 percent of the debt-to-income ratio.

This information was used as performance context in the borrower distribution of home mortgage loans when determined to be relevant. See individual AA conclusions for information relating to our determination of affordability.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. §25.17 in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Consumer Financial Protection Bureau, as applicable.

The OCC has not identified that this bank (or any affiliate whose loans have been considered as part of the bank'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 bank engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the bank'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 Arizona

CRA rating for the State of Arizona¹: Satisfactory

The Lending Test is rated: High Satisfactory

The Investment Test is rated: High Satisfactory

The Service Test is rated: Low Satisfactory

The major factors that support this rating include;

- Lending levels reflect an excellent responsiveness to AA credit needs;
- The bank exhibits a good geographic distribution of loans in its AA;
- The bank exhibits a good distribution of loans among individuals of different income levels and businesses of different sizes, given the product lines offered by the bank;
- The bank is a leader in making CD loans and was responsive to community needs;
- The bank exhibits good responsiveness to credit and community economic development needs;
- Service delivery systems are reasonably accessible to geographies and individuals of different income levels in the AAs;
- The bank provides an adequate level of CD services.

Description of Institution's Operations in Arizona

MFB has one AA within the state of Arizona. The AA consists of Maricopa County, which is a large portion of the Phoenix Mesa Chandler MSA.

Based on FDIC Deposit Market Share data as of June 30, 2019, MFB had a 1.8 percent deposit market share in the Maricopa County portion of the Phoenix Mesa Chandler MSA and is ranked eighth out of 62 financial banks in the AA. The AA deposits accounted for 18.9 percent of total bank deposits. Primary competitors include JP Morgan Chase Bank which ranked first (23.1 percent) with 155 offices, Wells Fargo Bank which ranked second (19.8 percent) with 136 offices, and Bank of America which ranked third (19.2 percent) with 96 offices. These three top competitors account for a combined 62.1 percent of the total deposit market share in the area.

MFB provides a full range of loan and deposit products and services. The bank operates 22 full-service branches in the AA. One branch is located in a low-income CT, one branch is

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

located in a moderate-income CT, four branches are located in middle-income CTs, 15 are located in upper-income CTs, and one is located in a CT that has not been assigned an income classification. The bank also operates 63 ATMs in the AA, 22 of which are deposit-taking. Of the 22 deposit-taking ATMs, one is located in a low-income CT, one is located in a moderate-income CT, four are located in middle-income CTs, 15 are located in upper-income CTs, and one is located in a CT that has not been assigned an income classification. The branches represent 27.5 percent of the bank's total branch network.

Phoenix Mesa Chandler MSA

Table A – Demographic Information of the Assessment Area						
Assessment Area: Phoenix Mesa Chandler MSA 2019						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	916	11.5	22.5	31.2	33.4	1.4
Population by Geography	4,018,143	11.1	22.9	31.3	34.4	0.3
Housing Units by Geography	1,668,555	9.8	23.4	33.3	33.4	0.1
Owner-Occupied Units by Geography	875,327	4.6	18.8	34.7	41.9	0.0
Occupied Rental Units by Geography	567,191	17.1	29.4	31.2	21.9	0.3
Vacant Units by Geography	226,037	11.8	25.6	33.2	29.3	0.2
Businesses by Geography	419,998	6.2	15.9	28.4	48.9	0.5
Farms by Geography	7,681	6.1	18.0	29.4	46.2	0.3
Family Distribution by Income Level	945,115	21.8	16.9	19.2	42.2	0.0
Household Distribution by Income Level	1,442,518	23.3	16.3	17.7	42.7	0.0
Median Family Income MSA - 38060 Phoenix-Mesa-Chandler, AZ MSA	\$72,900		Median Housing Value			\$203,811
			Median Gross Rent			\$993
			Families Below Poverty Level			12.6%
<i>Source: 2015 American Community Survey (ACS) and 2019 Dunn & Bradstreet (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>						

The Phoenix Mesa Chandler MSA AA includes all of Maricopa County. The AA meets the requirements of the regulation and does not arbitrarily exclude LMI geographies. According to 2010 U.S. Census data, the AA consists of 916 CTs, of which 105 are low-income, 206 are moderate-income, 286 are middle-income, 306 are upper-income, and 13 have not been assigned an income classification.

The bank made 37.5 percent of its loan originations and purchases in the AA compared to total bank loans during the evaluation period.

The top mortgage lender in the Phoenix Mesa Chandler MSA is Wells Fargo Bank with 5.8 percent market share followed by Quicken Loans with 5.8 percent market share and United

Shore Financial Service with 5.1 percent market share. The bank is ranked 34th among 900 lenders with 0.58 percent market share.

In small loans to businesses, the bank is ranked 17th among 195 lenders with 0.62 percent market share. The top three small business lenders were Chase Bank USA with 20.1 percent market share, American Express National Bank with 16.8 percent market share, and Citibank with 14.1 percent market share.

Several of the major employers are government organizations, including State of Arizona, City of Phoenix, Maricopa County, and Arizona State University. Other major employers include offices of two large nationwide banks and many retail businesses.

Housing affordability is a challenge in the Phoenix Mesa Chandler MSA. The FFIEC estimated 2019 median family income was \$72,900. The median housing value was \$320,048 in January 2017 and \$374,545 in December 2019, a 17.0 percent increase, according to Realtor.com. The 2019 housing value would require a mortgage payment of \$2,011 based on a 30-year mortgage with a five percent interest rate. Based on this data and not accounting for down payment, homeowners insurance, real estate taxes, or any additional monthly expenses, a low-income borrower making \$36,450 per year (or less than 50 percent of the 2019 FFIEC adjusted median family income in the AA) could afford a mortgage payment of \$911 per month. A moderate-income borrower making \$58,320 per year (or less than 80 percent of the 2019 FFIEC adjusted median family income in the AA) could afford a mortgage payment of \$1,458 per month. This illustrates that low- and moderate-income borrowers would be challenged to qualify for a mortgage loan in the AA.

The OCC consulted one community contact performed in the AA, a nonprofit housing services organization, which reported the following identified needs within this community:

- Affordable housing and acquisition/rehabilitation for LMI
- Small business loans, especially micro lending
- Small consumer loans

Scope of Evaluation in Arizona

The Phoenix Mesa Chandler MSA received a full-scope review. The AA represents all the bank's deposits, branches, and lending in the rating area.

Refer to the Scope of Evaluation Table in Appendix A for AA delineations.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN ARIZONA

LENDING TEST

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

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the Phoenix Mesa Chandler MSA is good.

Lending Activity

Lending levels reflect excellent responsiveness to AA credit needs.

Number of Loans							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	% State Loans	% State Deposits
Phoenix Mesa Chandler MSA	2,959	2,091	0	15	5,065	100.0	100.0

Dollar Volume of Loans (000s)							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	% State Loans	% State Deposits
Phoenix Mesa Chandler MSA	726,811	390,057	0	58,028	1,174,896	100.0	100.0

According to the FDIC Deposit Market Share data as of June 30, 2019, the bank ranked 8th among 62 deposit banks with a market share of 1.8 percent, placing in the 15th percentile of deposits.

Based on 2019 Peer Mortgage Data, MFB ranked 34th out of 900 mortgage lenders with a market share of 0.6 percent, placing in the top 4th percentile of all mortgage lenders in the AA. The bank's market share is weaker than the deposit market share. While the HMDA lending market share is lower than the bank's deposit market share, this is a highly competitive market. The top five lending competitors, consisting of national banks, mortgage companies, and a non-bank lender, have a combined market share of 25.5 percent. The bank's market share ranking for home mortgage lending, relative to the number of mortgage lenders in the AA, is significantly higher than its deposit market share, relative to the number of depository banks in the AA.

According to the 2018 Peer Small Business data, the bank ranked 17th out of 195 small business lenders with 0.6 percent market share, placing it in the top 9th percentile of small business lenders in the AA. The bank's market share is weaker than the deposit market share. The top five lending competitors, consisting of national banks, have a combined market share of 70.3 percent and three of the five competitors are large issuers of small business credit cards with average loan sizes of \$6 to \$15 thousand. The bank's market share ranking for small business lending, relative to the number of small business lenders in the AA, is significantly higher than its deposit market share, relative to the number of depository banks.

Distribution of Loans by Income Level of the Geography

The bank exhibits a good geographic distribution of loans in its AA.

Home Mortgage Loans

Refer to Table O in the state of Arizona section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The geographic distribution of loans in the bank's AA reflects adequate dispersion in LMI CTs. The bank's distribution of loans in LMI geographies is well below the proportion of owner-occupied housing and below the aggregate distribution of loans.

Small Loans to Businesses

Refer to Table Q in the state of Arizona 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 small loans to businesses in LMI geographies is excellent. The proportion of small loans to businesses exceeds the percentage of businesses in LMI geographies and the aggregate.

Lending Gap Analysis

The OCC evaluated the lending distribution in the AA to determine if any unexplained, conspicuous gaps existed. We reviewed summary reports, maps, and analyzed MFB's home mortgage and small business lending activity over the evaluation period to identify any gaps in the geographic distribution of loans. We did not identify any unexplained conspicuous gaps.

Distribution of Loans by Income Level of the Borrower

The bank exhibits a good distribution of loans among individuals of different income levels and business of different sizes, given the product lines offered by the bank.

Home Mortgage Loans

Refer to Table P in the state of Arizona section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The distribution of the bank's home mortgage lending was adequate, when considering the strong level of competition and other performance context. The proportion of loans was significantly below the percentage of low-income families and the aggregate. The proportion of loans was below the percentage of moderate-income families and significantly below the aggregate.

As previously mentioned in the Description of Operations section, the high cost of housing significantly impacted the bank's ability to make mortgage loans to LMI borrowers. Based upon an analysis of housing affordability, the payment (\$2,011) requires a 30-year mortgage used to purchase an average home in the AA is significantly larger than the monthly income of LMI borrowers, based upon the FFIEC AMFI.

Over 33 percent of the bank's reported HMDA loans consisted of loans with no available income information. This group of loans consisted of 293 loan originations with combined business/commercial and investment property characteristics and 686 purchased loans.

Additionally, as part of the bank's loan servicing activity, MFB offered its residential mortgage loan servicing customers the opportunity to apply and be evaluated for a loss mitigation plan. During the evaluation period, 227 loans to LMI borrowers were part of loss mitigation plans.

Small Loans to Businesses

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

The distribution of the bank's loans to small businesses by revenue was good. The proportion of loans was well below the percentage of small businesses and exceeded the aggregate.

Community Development Lending

The bank is a leader in making CD loans.

The Lending Activity Tables, shown on page 15, set forth the information and data used to evaluate the bank's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

The bank is a leader in making CD loans, which had a significantly positive impact on lending performance in the AA. We considered the lending opportunities with direct benefit within the AA, state, and region and the bank's capacity to address these needs.

MFB originated 15 loans totaling \$58.0 million and representing 17.2 percent of allocated tier 1 capital. CD loans originated exhibited excellent responsiveness to the credit and community needs in the AA. The loans supported affordable housing, community services, and revitalization and stabilization within the AA.

CD loans originated during the evaluation period include:

- A \$10.7 million loan to acquire seven manufactured home parks which will provide affordable housing for LMI.
- A \$2.5 million loan to acquire or rehabilitate manufactured housing units to provide affordable housing for LMI.
- A \$7.5 million loan to construct a facility that provides crisis services, support for foster care families, and a prison ministry.
- A \$2.8 million loan for the construction of an industrial warehouse located in a Phoenix Opportunity Zone.

Regional

The bank originated \$15 million in CD loans to a broadband communication company, which provided for the build out of fixed broadband and voice services in primarily rural and underserved areas which benefited three states, including Arizona, which had a positive impact within the AA.

Product Innovation and Flexibility

The bank makes extensive use of innovative and/or flexible lending practices in order to serve AA credit needs. During the evaluation period, MFB offered a number of home mortgage products with flexible underwriting terms to assist borrowers in obtaining a home loan and Home Free and Home Free for Education programs, which were targeted to either LMI borrowers or LMI CTs by providing a lender credit up to \$2 thousand toward the borrower’s closing costs. MFB originated 20 flexible product loans during the evaluation period.

INVESTMENT TEST

The bank’s performance under the Investment Test in Arizona is rated High Satisfactory.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank’s performance in the Phoenix Mesa Chandler MSA is good.

The bank has a significant level of qualified CD investments and grants, occasionally in a leadership position, particularly those that are not routinely provided by private investors.

The bank exhibits good responsiveness to credit and community economic development needs. The bank occasionally uses innovative and/or complex investments to support CD initiatives.

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000’s)	#	\$(000’s)	#	% of Total #	\$(000’s)	% of Total \$	#	\$(000’s)
Full-Scope										
Phoenix Mesa Chandler MSA	8	10,443	23	10,643	31	100.0	21,086	100.0	-	-

* 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 bank's financial reporting system.

Performance in the AA is good. Qualified investments totaled \$21.1 million, with current period investments totaling \$10.6 million including donations totaling \$160 thousand and prior period investments totaling \$10.4 million. Total investments represent 6.3 percent of allocated tier 1 capital. Investments consist of multiple mortgage back securities pools and one school bond

benefiting LMI borrowers and geographies. Notable donations were made to organizations that promote affordable housing and provide community services to LMI individuals. Investments and donations were especially responsive to AA needs as access to affordable housing is limited. A community contact in the AA stated that there is a shortage of affordable housing and that many affordable homes require substantial rehab and that the bank's do not typically originate loans for the acquisition and rehab of affordable housing properties.

SERVICE TEST

The bank's performance under the Service Test in Arizona is rated Low Satisfactory.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the Phoenix Mesa Chandler MSA is adequate.

Retail Banking Services

Service delivery systems are reasonably accessible to geographies and individuals of different income levels in the bank's AA.

Distribution of Branch Delivery System											
Assessment Area	Deposits	Branches						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				% of Population within Each Geography			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Phoenix Mesa Chandler MSA	100	21	100	4.8	4.8	19.0	71.4	11.1	22.9	31.3	34.4

As of the date of this Performance Evaluation, MFB has 22 branches located in the Phoenix Mesa Chandler MSA. One of the 22 branches is located in a tract lacking income information (NA tract).

The bank has 22 branches in the AA, with one in a low-income geography and one in a moderate-income geography. The percentage of branches located in low- or moderate-income areas was well below the percentage of the population residing in these geographies.

MFB has six branches (4 branches in middle and 2 branches in upper-income CTs.) in the AA with LMI geographies in close proximity, less than 0.5 mile from each branch. Bank provided data supports that there is good usage penetration in these LMI geographies. In the middle- and upper-income CTs where the six branches are located, there are 1,737 MFB deposit accounts. In the LMI adjacent CTs, there are 3,049 MFB deposit accounts.

The bank complements its traditional service delivery methods in the AA with certain alternative retail delivery systems, such as deposit-taking ATMs, direct deposit, telephone banking, mobile banking, and online banking. MFB has 63 ATMs in the Phoenix Mesa Chandler MSA, of which 22 are deposit-taking. Of the deposit-taking ATMs, two (9 percent) are

in LMI CTs and associated with existing branches. No significant weight was placed on these services, as no data was available to determine the impact on, or usage by, LMI individuals.

Distribution of Branch Openings/Closings						
			Net change in Location of Branches (+ or -) by Income of Geographies			
Assessment Area	# of Branch Openings	# of Branch Closings	Low	Moderate	Middle	Upper
Phoenix Mesa Chandler MSA		1				-1

To the extent changes have been made, the bank’s opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in LMI geographies and/or to LMI individuals. There was one branch closed in the Phoenix Mesa Chandler MSA, in an upper-income CT.

Services, including where appropriate, business hours, do not vary in a way that inconveniences its AA, particularly LMI geographies and individuals. All branches operate during similar banking hours.

Community Development Services

The bank provides an adequate level of CD services.

CD services were effective and responsive in helping the bank address community needs in the AA. The bank conducted or supported an adequate number of CD services, consistent with its capacity and expertise to conduct specific activities. Four employees provided services to 27 CD organizations totaling 916 hours during the evaluation period. Activities included board service and financial education. Included in these services are 48 hours where bank employees served in leadership roles.

Example of these services:

- MFB employees provided financial education in support of the TRIO Student Support Success program at Arizona State University in the Phoenix Mesa Chandler MSA. Details of the TRIO program are discussed in this evaluation under the Oklahoma City MSA.
- A bank employee serves on the board of the industrial development authority, whose mission is to support economic development and provide flexible financing opportunities for affordable housing, manufacturing facilities, infrastructure projects, non-profit facilities, down payment assistance, and community investments in economic development.

State Rating

State of California

CRA rating for the State of California²: Satisfactory

The Lending Test is rated: High Satisfactory

The Investment Test is rated: High Satisfactory

The Service Test is rated: High Satisfactory

The major factors that support this rating include:

- Lending levels reflect good responsiveness to AA credit needs;
- The bank exhibits a good geographic distribution of loans in its AA;
- The bank exhibits adequate distribution of loans among individuals of different income levels and businesses of different sizes, given the product lines offered by the bank;
- The bank made an adequate level of CD loans;
- The bank exhibits good responsiveness to credit and community economic development needs;
- Service delivery systems are accessible to geographies and individuals of different income levels in the AAs;
- The bank provides an adequate level of CD services.

Description of Institution's Operations in California

MFB has one AA within the state of California. The AA consists of a portion of the Los Angeles Long Beach Glendale MSA and includes the cities of Los Angeles (LA), San Fernando, Beverly Hills, West Hollywood, Culver City, and unincorporated areas Marina Del Rey, Universal City, and the Veteran's Administration. The bank operates as 1st Century Bank, a division of MFB, in the AA.

Based on FDIC Deposit Market Share data as of June 30, 2019, MFB had a 0.21 percent deposit market share in the LA County portion of the MSA and is ranked 32nd out of 101 financial banks in the AA. The AA deposits accounted for 9.1 percent of total bank deposits. Primary competitors include Bank of America which ranked first (18.0 percent) with 240 offices, Wells Fargo Bank which ranked second (12.7 percent) with 245 offices, and JP Morgan Chase Bank ranked third (12.5 percent) with 290 offices. The three top competitors account for a combined 43.2 percent of the total deposit market share in the area.

² This rating reflects performance within the state. The statewide evaluations do not reflect performance in the parts of those states contained within the multistate metropolitan statistical area.

MFB provides a full range of loan and deposit products and services. The bank operates two full-service branches in the AA. One branch is located in a low-income CT and one branch is located in an upper-income CT. The Downtown LA branch opened in December 2018. The bank also operates four deposit-taking ATMs in the AA. One ATM is located in a moderate-income CT, and three are located in upper-income CTs. The branches represent 2.5 percent of the bank's total branch network.

Los Angeles Long Beach Glendale MSA

Table A – Demographic Information of the Assessment Area						
Assessment Area: Los Angeles Long Beach Glendale MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	1,035	15.9	31.1	19.5	31.0	2.4
Population by Geography	4,070,884	15.5	31.5	20.7	30.9	1.4
Housing Units by Geography	1,517,248	13.0	28.2	20.5	37.1	1.2
Owner-Occupied Units by Geography	524,569	4.7	19.7	22.8	52.5	0.2
Occupied Rental Units by Geography	892,692	17.8	33.2	19.4	27.8	1.7
Vacant Units by Geography	99,987	13.5	27.0	17.8	39.7	2.0
Businesses by Geography	424,686	7.3	18.4	16.8	54.2	3.4
Farms by Geography	3,587	4.1	18.8	23.2	51.9	1.9
Family Distribution by Income Level	841,726	28.9	16.6	15.8	38.7	0.0
Household Distribution by Income Level	1,417,261	29.5	15.8	15.2	39.5	0.0
Median Family Income MSA - 31084 Los Angeles-Long Beach-Glendale, CA	\$73,100		Median Housing Value			\$522,210
			Median Gross Rent			\$1,289
			Families Below Poverty Level			17.4%
<i>Source: 2015 ACS and 2019 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>						

The bank's Los Angeles Long Beach Glendale MSA AA, which includes the City of LA, San Fernando, Beverly Hills, West Hollywood, Culver City, and unincorporated areas Marina Del Rey, Universal City, and the Veteran's Administration, meets the requirements of the regulation and does not arbitrarily exclude LMI geographies. According to 2010 U.S. Census data, the AA consists of 1,035 CTs, of which 165 are low-income, 322 are moderate-income, 202 are middle-income, 321 are upper-income, and 25 have not been assigned an income classification.

The bank made 7.0 percent of its loan originations and purchases in the AA compared to total bank loans during the evaluation period.

The top mortgage lender in the Los Angeles Long Beach Glendale MSA is Wells Fargo Bank with 7.5 percent market share followed by United Shore Financial Service with 7.0 percent market share and JP Morgan Chase Bank with 6.9 percent market share. The bank is ranked 85th among 730 lenders with 0.21 percent market share.

In small loans to businesses, the bank is ranked 51st among 225 lenders with 0.07 percent market share. The top three small business lenders are American Express National Bank with 24.0 percent market share, Chase Bank USA with 18.7 percent market share, and Bank of America with 13.6 percent market share.

LA has a diverse economy. Major industries include manufacturing, trade and transportation, banking and finance, and entertainment. Other prominent industries include health services, education, high-tech research and development, and construction. The unemployment rate in LA for 2019 was 4.0 percent, which was slightly higher than the U.S. national average of 3.7 percent.

The Los Angeles Long Beach Glendale MSA is ranked as one of the least affordable for housing. The 2019 FFIEC Adjusted Median Family Income was \$73,100. Assuming a 30-year mortgage with a five percent interest rate, and not accounting for down payment, homeowners insurance, real estate taxes, or any additional monthly expenses, a low-income borrower making \$36,550 per year (or less than 50 percent of the 2019 FFIEC adjusted median family income in the AA) could afford a \$170,215 mortgage with a payment of \$914 per month. A moderate-income borrower making \$58,480 per year (or less than 80 percent of the 2019 FFIEC adjusted median family income in the AA) could afford a \$272,344 mortgage with a payment of \$1,462 per month. This illustrates that low- and moderate-income borrowers would be challenged to qualify for a mortgage loan in the AA with an estimated payment of \$4,711. The median housing values in the AA were \$699,050 in January 2017 and \$877,550 in December 2019 reflecting a 25.5 percent increase according to Realtor.com data.

The OCC conducted one community contact, a non-profit housing services organization, and consulted two additional contacts, a community-based development corporation and a non-profit housing counseling service. They identified the following needs within this community:

- Financing for affordable housing developments
- Financing for start-up and early-stage businesses
- First-time homebuyer education programs
- Credit counseling programs
- Small consumer loans

Scope of Evaluation in California

For the state of California, we completed a full-scope review of the Los Angeles Long Beach Glendale MSA. The AA represents all the bank's deposits, branches, and lending in the rating area. The MSA was not reviewed during the previous PE due to the limited amount of time in operation in the AA.

Refer to the Scope of Evaluation Table in Appendix A for AA delineations.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN CALIFORNIA

LENDING TEST

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

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the Los Angeles Long Beach Glendale MSA is good.

Lending Activity

Lending levels reflect excellent responsiveness to AA credit needs.

Number of Loans							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	% State Loans	% State Deposits
Los Angeles Long Beach Glendale MSA	424	515	0	7	946	100.0	100.0

Dollar Volume of Loans (000s)							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	% State Loans	% State Deposits
Los Angeles Long Beach Glendale MSA	502,195	195,895	0	11,193	709,283	100.0	100.0

According to the FDIC Deposit Market Share data as of June 30, 2019, the bank ranked 32nd among 101 deposit banks with a market share of 0.2 percent, placing in the 32nd percentile of deposits.

Based on 2019 Peer Mortgage Data, MFB ranked 85th out of 730 mortgage lenders with a market share of 0.2 percent, placing in the top 12th percentile of all mortgage lenders in the AA. The bank's market share is consistent with the deposit market share. While the HMDA lending market share is lower than the bank's deposit market share, this is a highly competitive market. The top five lending competitors, consisting of national banks, a mortgage company, and a non-bank lender, have a combined market share of 32.4 percent. The bank's market share ranking for home mortgage lending, relative to the number of mortgage lenders in the AA, is significantly higher than its deposit market share, relative to the number of depository banks in the AA.

According to the 2018 Peer Small Business data, the bank ranked 51st out of 225 small business lenders with 0.7 percent market share, placing it in the 23rd percentile of small business lenders in the AA. The bank's market share is greater than the deposit market. The top five lending competitors, consisting of national banks, have a combined market share of 76.5 percent and three of the five competitors are large issuers of small business credit cards

with average loan sizes of \$6 to \$17 thousand. The bank's market share for small business lending, relative to the number of small business lenders in the AA, is higher than its deposit market share, relative to the number of depository banks.

Distribution of Loans by Income Level of the Geography

The bank exhibits a good geographic distribution of loans in its AA.

Home Mortgage Loans

Refer to Table O in the state of California section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The geographic distribution of loans in the bank's AA reflects excellent dispersion in LMI CTs. The bank's distribution of loans in low-income geographies exceeds the proportion of owner-occupied housing and the aggregate. In moderate-income geographies, the bank's distribution is near to the proportion of owner-occupied housing and the aggregate.

Small Loans to Businesses

Refer to Table Q in the state of California 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 small loans to businesses in LMI geographies is poor. The proportion of small business loans in low-income geographies is significantly below the proportion of businesses in those geographies and well below the aggregate distribution of loans. The proportion of loans in moderate-income geographies was well below the proportion of businesses in those geographies and the aggregate distribution of loans.

Lending Gap Analysis

The OCC evaluated the lending distribution in the AA to determine if any unexplained, conspicuous gaps existed. We reviewed summary reports, maps, and analyzed MFB's home mortgage and small business lending activity over the evaluation period to identify any gaps in the geographic distribution of loans. We did not identify any unexplained conspicuous gaps.

Distribution of Loans by Income Level of the Borrower

The bank exhibits an adequate distribution of loans among individuals of different income levels and business of different sizes, given the product lines offered by the bank.

Home Mortgage Loans

Refer to Table P in the state of California section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The distribution of the bank's home mortgage lending was poor, when considering the strong level of competition and other performance context. The proportion of loans was significantly below the percentage of LMI families and the aggregate.

As previously mentioned in the Description of Operations section, the high cost of housing significantly impacted the bank's ability to make mortgage loans to LMI borrowers. Based upon an analysis of housing affordability, the payment (\$4,711) requires a 30-year mortgage used to purchase an average home in the AA is significantly larger than the monthly income of LMI borrowers, based upon the FFIEC AMFI.

Approximately 70 percent of the bank's home mortgage lending consisted of loans with no available income information. This group of loans consisted of 186 loan originations with combined business/commercial and investment property characteristics and 111 purchased loans.

Additionally, as part of the bank's loan servicing activity, MFB offered its residential mortgage loan servicing customers the opportunity to apply and be evaluated for a loss mitigation plan. During the evaluation period, 26 loans to LMI borrowers were part of loss mitigation plans.

Small Loans to Businesses

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

The distribution of the bank's loans to small businesses by revenue was adequate. The proportion of loans was well below the percentage of small businesses and near to the aggregate.

Community Development Lending

The bank has made an adequate level of CD loans.

The Lending Activity Tables, shown on page 25, set forth the information and data used to evaluate the bank's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

The bank has made an adequate level of CD loans, which had a neutral impact on lending performance in the AA. We considered the lending opportunities with direct benefit within the AA, state, and region and the bank's capacity to address these needs.

MFB originated seven loans totaling \$11.2 million and representing 6.9 percent of allocated tier 1 capital. CD loans originated exhibited excellent responsiveness to the credit and community needs in the AA. Loans supported affordable housing and revitalization/stabilization in the AA.

CD loans originated during the evaluation period include:

- A \$1.2 million loan to purchase and renovate an affordable, nine-unit multifamily unit complex located in a low-income CT and in a LA Opportunity Zone.

- A \$2.5 million loan for an affordable housing, 38-unit multifamily complex located in a LA Opportunity Zone.
- Five SBA 504 loans totaling \$7.4 million to fund small business purchases and improvements for expansions or modernizations.

Regional

We also considered the impact of CD loans in the regional and statewide area. The bank made two CD loans totaling \$4.2 million in the regional and statewide areas that provided community services to LMI individuals and families.

Product Innovation and Flexibility

The bank makes little use of innovative and/or flexible lending practices in order to serve AA credit needs. During the evaluation period, MFB offered a number of home mortgage products with flexible underwriting terms to assist borrowers in obtaining a home loan and Home Free and Home Free for Education programs which were targeted to either LMI borrowers or LMI CTs by providing a lender credit up to \$2 thousand toward the borrower’s closing costs. During the evaluation period, MFB originated one flexible product loan to a moderate-income borrower.

INVESTMENT TEST

The bank’s performance under the Investment Test in California is rated High Satisfactory.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank’s performance in the Los Angeles Long Beach Glendale MSA is good.

The bank has a significant level of qualified CD investments and grants, occasionally in a leadership position, particularly those that are not routinely provided by private investors.

The bank exhibits good responsiveness to credit and community economic development needs. The bank occasionally uses innovative and/or complex investments to support CD initiatives.

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000’s)	#	\$(000’s)	#	% of Total #	\$(000’s)	% of Total \$	#	\$(000’s)
Full-Scope										
Los Angeles Long Beach Glendale MSA	3	3,898	11	9,552	14	100.0	13,450	100.0		

* 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 bank's financial reporting system.

Performance in the AA is good. Qualified investments totaled \$13.4 million, with current period investments totaling \$9.6 million including \$48 thousand in donations and prior period investments totaling \$3.3 million. Total investments represent 8.3 percent of allocated tier 1 capital. Investments include two Low-Income Housing Tax Credit (LIHTC) and multiple mortgage back securities pools benefiting LMI borrowers and geographies. Notable donations were made to organizations that promote affordable housing and provide community services to LMI individuals. Investments and donations were especially responsive to AA needs as access to affordable housing is limited. A community contact in the AA noted that due to the heated economy, construction and land costs have increased making affordable housing developments expensive to build. Additionally, the increased income inequality has negatively impacted affordable housing.

SERVICE TEST

The bank’s performance under the Service Test in California is rated High Satisfactory.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank’s performance in the Los Angeles Long Beach Glendale MSA is good.

Retail Banking Services

Service delivery systems are accessible to geographies and individuals of different income levels in the bank’s AA.

Distribution of Branch Delivery System											
Assessment Area	Deposits	Branches						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				% of Population within Each Geography			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Los Angeles Long Beach Glendale MSA	100	2	100	0.0	50.0	0.0	50.0	15.5	31.5	20.7	30.9

The bank has two branches in the AA. There are no branches in low-income geographies. One branch is located in a moderate-income geography. The bank complements its traditional service delivery methods in the Los-Angeles-Long Beach-Glendale MSA with certain alternative retail delivery systems, such as deposit-taking ATMs, direct deposit, telephone banking, mobile banking, and online banking. MFB has four deposit taking ATMs in the AA of which one is in a moderate-income CT located near, but independent of, the branch location.

No significant weight was placed on these services, as no data was available to determine the impact on, or usage by, LMI individuals.

Distribution of Branch Openings/Closings						
			Net change in Location of Branches (+ or -) by Income of Geographies			
Assessment Area	# of Branch Openings	# of Branch Closings	Low	Moderate	Middle	Upper
Los Angeles Long Beach Glendale MSA	1			+1		

To the extent changes have been made, the bank’s opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in LMI geographies and/or to LMI individuals. During the evaluation period, there was one branch opened in the Los Angeles Long Beach Glendale MSA in a moderate-income geography. No branches were closed in the AA during the evaluation period.

Services, including where appropriate, business hours, do not vary in a way that inconveniences its AA, particularly LMI geographies and individuals. All branches operate during similar banking hours.

Community Development Services

The bank provides an adequate level of CD services.

CD services were effective and responsive in helping the bank address community needs in the AA. The bank conducted or supported an adequate number of CD services, consistent with its capacity and expertise to conduct specific activities. Two MFB employees provided 60 hours of service to two organizations in the AA. Both CD service activities were in a leadership role, serving on the boards of organizations that provide services to LMI youth. For example, one MFB employee serves on the fundraising committee for an organization that serves orphaned or neglected children.

State Rating

State of Colorado

CRA rating for the State of California³: Satisfactory

The Lending Test is rated: Outstanding

The Investment Test is rated: High Satisfactory

The Service Test is rated: Low Satisfactory

The major factors that support this rating include:

- Lending levels reflect good responsiveness to AA credit needs;
- The bank exhibits an excellent geographic distribution of loans in its AAs, given the strong level of competition;
- The bank exhibits a good distribution of loans among individuals of different income levels and businesses of different sizes, given the product lines offered by the bank;
- The bank is a leader in making CD loans and was responsive to community needs;
- The bank exhibits good responsiveness to credit and community economic development needs;
- Service delivery systems are reasonably accessible to geographies and individuals of different income levels in the AAs;
- The bank provides an adequate level of CD services.

Description of Institution's Operations in Colorado

MFB has three AAs within the state of Colorado. These AAs include the Denver Aurora Lakewood MSA, the Boulder MSA, and the Colorado Non-MSA. MFB's Denver Aurora Lakewood MSA AA includes all of Denver County and seven CTs in Arapahoe County which represents the municipality of Cherry Hills Village. The Boulder MSA includes all of Boulder County. The Colorado Non-MSA includes Eagle County, Colorado. The Boulder MSA branch opened in October 2018, and the Colorado Non-MSA branch in Vail, Colorado opened in April 2019.

Based on FDIC Deposit Market Share data as of June 30, 2019, MFB had a 0.4 percent deposit market share in Colorado and is ranked 27th out of 131 financial banks doing business in the state. The deposits accounted for 5.2 percent of the total bank deposits. Primary competitors include Wells Fargo Bank which ranked first (22.4 percent) with 150 offices, FirstBank which ranked second (11.5 percent) with 99 offices, and U.S. Bank (10.7 percent) with 142 offices.

³ This rating reflects performance within the state. The statewide evaluations do not reflect performance in the parts of those states contained within the multistate metropolitan statistical area.

MFB provides a full range of loan and deposit products and services in the state. The bank operates six branches, five of which are full-service branches. All branches are located in upper-income CTs. In addition, the bank has four ATMs, three of which are deposit-taking ATMs, within the rating area. Of the three deposit-taking ATMs, one ATM is located in a middle-income CT, and two ATMs are located in upper-income CTs. The branches represent 7.5 percent of the bank's total branch network.

Denver Aurora Lakewood MSA

Table A – Demographic Information of the Assessment Area						
Assessment Area: Denver Aurora Lakewood MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	151	17.9	25.8	26.5	28.5	1.3
Population by Geography	675,739	18.7	26.6	27.3	27.3	0.1
Housing Units by Geography	305,874	16.7	22.0	30.9	30.4	0.0
Owner-Occupied Units by Geography	140,436	12.0	22.1	28.1	37.8	0.0
Occupied Rental Units by Geography	146,360	20.9	22.5	33.4	23.2	0.0
Vacant Units by Geography	19,078	19.1	17.2	32.2	31.5	0.0
Businesses by Geography	105,905	11.1	17.6	27.0	43.4	0.9
Farms by Geography	1,425	20.4	23.4	23.4	30.7	2.0
Family Distribution by Income Level	139,701	29.4	17.6	17.3	35.7	0.0
Household Distribution by Income Level	286,796	30.8	17.5	16.6	35.1	0.0
Median Family Income MSA - 19740 Denver-Aurora-Lakewood, CO MSA	\$92,800		Median Housing Value			\$304,452
			Median Gross Rent			\$1,002
			Families Below Poverty Level			12.7%
<i>Source: 2015 ACS and 2019 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>						

The Denver Aurora Lakewood MSA AA includes all of Denver County and seven CTs in Arapahoe County which make up the municipality of Cherry Hills Village. The AA meets the regulation and does not arbitrarily exclude LMI geographies. According to 2010 U.S. Census data, the AA consists of 151 CTs, of which 27 are low-income, 39 are moderate-income, 40 are middle-income, 43 are upper-income, and two have not been assigned an income classification.

There are four branches located in the Denver Aurora Lakewood MSA. The branch in Cherry Hills Village, CO operates as a school deposit facility. This location is designed as a financial education opportunity for students, some of whom also receive bank employment training. The school bank facility is not accessible to the general public and operates only a couple of hours

each school day. There is limited opportunity for lending or to address the needs of the community through this branch.

Based on FDIC Deposit Market Share data as of June 30, 2019, MFB had a 0.8 percent deposit market share in their portion of the Denver Aurora Lakewood MSA and is ranked 19th out of 57 banks in the market area. The deposits accounted for 4.8 percent of the total bank deposits. Primary competitors include Wells Fargo Bank, which ranked first in deposit market share (25.8 percent) with 37 offices; U.S. Bank, which ranked second in deposit market share (14.8 percent) with 32 offices; and JPMorgan Chase Bank, which ranked third in deposit market share (10.9 percent) with 34 offices.

The bank made 6.7 percent of its loan originations and purchases in the AA compared to total bank loans during the evaluation period.

The top mortgage lenders in the Denver Aurora Lakewood MSA were United Shore Financial Service with 5.8 percent market share followed by Wells Fargo Bank with 5.4 percent and JPMorgan Chase Bank with 5.3 percent. MFB is ranked 54th among 609 lenders with 0.4 percent market share.

In small loans to businesses, the bank ranked 22nd among 164 lenders with 0.5 percent market share. The top three small business lenders were Chase Bank USA with 23.9 percent market share, American Express with 16.4 percent market share, and Wells Fargo Bank with 11.3 percent market share.

Denver has the highest concentration of federal employees outside of Washington, D.C. and also has industry concentrations in health care, tourism, aerospace, and defense manufacturing. Denver typically has a lower unemployment rate than the state average.

Housing affordability continues to be a challenge in the Denver market area. The FFIEC estimated 2019 median family income was \$92,800. The median housing value was \$529,440 in January 2017 and \$497,550 in December 2019, a decrease of 6.0 percent, according to Realtor.com. The 2019 housing value would require a mortgage payment of approximately \$2,671 based on a 30-year mortgage with a five percent interest rate. Based on this data and not accounting for down payment, homeowners insurance, real estate taxes, or any additional monthly expenses, a low-income borrower making \$46,400 per year (or less than 50 percent of the 2019 FFIEC adjusted median family income in the AA) could afford a mortgage payment of \$1,160 per month. A moderate-income borrower making \$74,240 per year (or less than 80 percent of the 2019 FFIEC adjusted median family income in the AA) could afford a mortgage payment of \$1,856 per month. This illustrates that low- and moderate-income borrowers would be challenged to qualify for a mortgage loan in the AA.

The OCC consulted two community contacts performed in the AA, including a housing and small business services organization and a Chamber of Commerce, which reported the following needs within the community:

- Affordable housing for LMI
- Better wages to keep pace with inflation
- Financing for affordable housing developers

Boulder MSA

Table A – Demographic Information of the Assessment Area						
Assessment Area: Boulder MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	68	7.4	20.6	44.1	27.9	0.0
Population by Geography	310,032	6.7	22.3	43.1	27.9	0.0
Housing Units by Geography	129,739	7.1	22.4	43.9	26.7	0.0
Owner-Occupied Units by Geography	76,163	3.0	18.0	45.6	33.3	0.0
Occupied Rental Units by Geography	46,353	13.9	29.9	39.7	16.5	0.0
Vacant Units by Geography	7,223	5.9	19.8	51.9	22.4	0.0
Businesses by Geography	52,226	3.7	28.2	38.4	29.7	0.0
Farms by Geography	1,245	3.9	23.4	42.3	30.4	0.0
Family Distribution by Income Level	72,418	22.3	17.0	19.9	40.8	0.0
Household Distribution by Income Level	122,516	26.0	15.4	15.8	42.8	0.0
Median Family Income MSA - 14500 Boulder, CO MSA	\$113,600		Median Housing Value			\$398,953
			Median Gross Rent			\$1,225
			Families Below Poverty Level			6.4%
<i>Source: 2015 ACS and 2019 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>						

The Boulder MSA includes all 68 CTs in Boulder County. The AA meets the regulation and does not arbitrarily exclude LMI geographies. According to 2010 U.S. Census data, the AA consist of 68 CTs, of which five are low-income, 14 are moderate-income, 30 are middle-income, and 19 are upper income.

Based on FDIC Deposit Market Share data as of June 30, 2019, MFB had a 0.2 percent deposit market share in the Boulder MSA and is ranked 26th out of 31 banks in the market area. The deposits accounted for 0.2 percent of the total bank deposits.

Primary competitors include JPMorgan Chase Bank, which ranked first in deposit market share (20.7 percent) with 14 offices; Wells Fargo Bank, which ranked second in deposit market share (20.3 percent) with 12 offices; and FirstBank, which ranked third in deposit market share (13.4 percent) with seven offices.

The top mortgage lenders in the Boulder MSA were Elevation Credit Union with 14.8 percent market share followed by JPMorgan Chase with 6.4 percent market share and Wells Fargo Bank with 5.6 percent market share. MFB is ranked 121st among 431 lenders with 0.1 percent market share.

In small loans to businesses, MFB is ranked 38th among 108 lenders with 0.1 percent market share. The top three small business lenders are Chase Bank USA with 30.5 percent market

share, American Express with 16.1 percent market share, and Wells Fargo Bank with 10.4 percent market share.

The Boulder economy is dominated by government employment from the University of Colorado campus, high tech industry, and tourism.

The Boulder MSA continues to be a high-cost metropolitan area. The FFIEC estimated 2019 median family income was \$113,600. The median housing value was \$667,550 in January 2017 and \$628,750 in December 2019, a decrease of 5.8 percent, according to Realtor.com. The 2019 housing value would require a mortgage payment of \$3,375 based on a 30-year mortgage with a five percent interest rate. Based on this data and not accounting for down payment, homeowners insurance, real estate taxes, or any additional monthly expenses, a low-income borrower making \$56,800 per year (or less than 50 percent of the 2019 FFIEC adjusted median family income in the AA) could afford a mortgage payment of \$1,420 per month. A moderate-income borrower making \$90,880 per year (or less than 80 percent of the 2019 FFIEC adjusted median family income in the AA) could afford a mortgage payment of \$2,272 per month. This illustrates that low- and moderate-income borrowers would be challenged to qualify for a mortgage loan in the AA.

The OCC consulted one community contact performed in the AA, an economic development organization, which reported the following identified needs within this community:

- Affordable housing for LMI
- Financing opportunities for early-stage businesses and for expansion of existing businesses
- Transportation and parking
- Qualified individuals to fulfill high tech jobs

Scope of Evaluation in Colorado

For the state of Colorado, we completed a full-scope review of the Denver Aurora Lakewood MSA and the Boulder MSA. Ratings are based primarily on results of the full-scope areas. We completed a limited-scope review of the Colorado Non-MSA. Bank delineated non-MSAs within the state are combined, analyzed, and presented as one AA for the purposes of the evaluation.

In Boulder, the bank did not originate or purchase a sufficient volume of mortgage loans and loans to small businesses during the evaluation period to perform a meaningful analysis. We considered the lending volume in the AA relative to its capacity based on deposits, competition, market presence, and the bank's length of time in the area. The bank entered the Boulder MSA in October 2018. Therefore, the Denver Aurora Lakewood MSA received substantially greater weight based on the volume of deposits and loans, as well as, the time in operation in the area.

The bank made a significantly high level of CD loans, which had a positive impact on lending performance in the Denver Aurora Lakewood MSA.

Refer to the Scope of the Evaluation Table in Appendix A for AA delineations.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN COLORADO

LENDING TEST

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

Conclusions for Areas Receiving a Full-Scope Reviews

Based on full-scope reviews, the bank's performance in the Denver Aurora Lakewood MSA is excellent and, in the Boulder MSA is adequate. As previously mentioned, the Denver Aurora Lakewood MSA received greater weight based on the volume of deposits and loans and length of time in the area. Additionally, the volume of CD loans had a positive impact on the overall lending test rating. In the Boulder MSA, the bank did not originate or purchase a sufficient volume of mortgage loans or small business loans during the evaluation period to perform a meaningful analysis.

Lending Activity

Lending levels reflect excellent responsiveness to AA credit needs.

Number of Loans*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	% State Loans	% State Deposits
Denver Aurora Lakewood MSA	412	483	0	16	911	94.01	93.21
Boulder MSA	14	13	0	1	28	2.89	2.95
Colorado Non-MSA	21	9	0	0	30	3.10	3.84
Total	447	505	0	17	969	100.00	100.00

**This table presents the data for all AAs. The narrative below addresses performance in full-scope areas only.*

Dollar Volume of Loans (000s)*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	% State Loans	% State Deposits
Denver Aurora Lakewood MSA	224,319	136,382	0	74,721	435,422	94.02	93.21
Boulder MSA	4,925	4,890	0	4,500	14,315	3.09	2.95
Colorado Non-MSA	9,948	3,438	0	0	13,386	2.89	3.84
Total	239,192	144,710	0	79,221	463,123	100.00	100.00

**This table presents the data for all AAs. The narrative below addresses performance in full-scope areas only.*

Denver Aurora Lakewood MSA

According to the FDIC Deposit Market Share data as of June 30, 2019, the bank ranked 19th among 57 deposit banks with a market share of 0.8 percent, placing in the top 33rd percentile of deposits.

Based on 2019 Peer Mortgage Data, MFB ranked 54th out of 609 mortgage lenders with a market share of 0.4 percent, placing in the top 9th percentile of all mortgage lenders in the AA.

The bank's market share is weaker than the deposit market share. While the HMDA lending market share is lower than the bank's deposit market share, this is a highly competitive market. The top five lending competitors, consisting of national banks, non-bank lenders, and a mortgage company, have a combined market share of 23.9 percent. The bank's market share ranking for home mortgage lending, relative to the number of mortgage lenders in the AA, is significantly higher than its deposit market share, relative to the number of depository banks in the AA.

According to the 2018 Peer Small Business data, the bank ranked 22nd out of 164 small business lenders with 0.5 percent market share, placing it in the 13th percentile of small business lenders in the AA. The bank's market share is weaker than the deposit market. The top five lending competitors, consisting of national banks, have a combined market share of 69.1 percent and three of the five competitors are large issuers of small business credit cards with average loan sizes of \$7 to \$18 thousand. The bank's market share ranking for small business lending, relative to the number of small business lenders in the AA, is significantly higher than its deposit market share, relative to the number of depository banks.

Boulder MSA

According to FDIC Deposit Market Share data as of June 30, 2019, MFB ranked 26th among 31 deposit banks with a market share of 0.2 percent, placing in the 84th percentile of deposits.

Based on 2019 Peer Mortgage Data, MFB ranked 121st out of 431 mortgage lenders with a market share of 0.1 percent, placing in the 28th percentile of all mortgage lenders in the AA. The bank's market share in loans is slightly weaker than the deposit market share. The top five lending competitors, consisting of national banks, a credit union, a non-bank lender, and a mortgage company, have a combined market share of 35.21 percent. The bank's market share ranking for home mortgage lending, relative to the number of mortgage lenders in the AA, is significantly higher than its deposit market share, relative to the number of depository banks in the AA.

According to the 2018 Peer Small Business data, the bank ranked 38th out of 108 small business lenders with 0.1 percent market share, placing it in the 35th percentile of small business lenders in the AA. The bank's market share in loans is slightly weaker than the deposit market. The top five lending competitors, consisting of national banks, have a combined market share of 72.3 percent and three of the five competitors are large issuers of small business credit cards with average loan sizes of \$7 to \$14 thousand. The bank's market share ranking for small business lending, relative to the number of small business lenders in the AA, is significantly higher than its deposit market share, relative to the number of depository banks.

Distribution of Loans by Income Level of the Geography

The bank exhibits an excellent geographic distribution of loans in its AAs, given the strong level of competition.

Home Mortgage Loans

Refer to Table O in the state of Colorado section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

Denver Aurora Lakewood MSA

The geographic distribution of loans in the bank's AA reflects a good dispersion in LMI CTs. The bank's distribution of loans in low-income geographies is near to the proportion of owner-occupied housing and somewhat near to the aggregate distribution of loans. The bank's distribution of loans in moderate-income geographies is below the proportion of owner-occupied housing and well below the aggregate distribution of loans.

Boulder MSA

Due to the bank's limited presence and time in the Boulder MSA, the bank did not originate or purchase a sufficient volume of home mortgage loans during the evaluation period to perform a meaningful analysis. As previously stated, the bank entered the market in October 2018 and has one branch in a market of 431 mortgage lenders.

Small Loans to Businesses

Refer to Table Q in the state of Colorado 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.

Denver Aurora Lakewood MSA

The distribution of small loans to businesses in LMI geographies is excellent. The proportion of small loans to businesses exceeds the percentage of businesses in LMI geographies. The proportion of small loans to businesses in low-income geographies was somewhat near to the aggregate and in moderate-income geographies, exceeds the aggregate.

Boulder MSA

Due to the bank's limited presence and time in the Boulder MSA, the bank did not originate or purchase a sufficient volume of small loans to businesses during the evaluation period to perform a meaningful analysis. As previously stated, the bank entered the market in October 2018 and has one branch in a market of 108 small loans to business lenders.

Lending Gap Analysis

The OCC evaluated the lending distribution in the AA to determine if any unexplained, conspicuous gaps existed. We reviewed summary reports, maps, and analyzed MFB's home mortgage and small business lending activity over the evaluation period to identify any gaps in the geographic distribution of loans. We did not identify any unexplained conspicuous gaps.

Distribution of Loans by Income Level of the Borrower

The bank exhibits a good distribution of loans among individuals of different income levels and business of different sizes, given the product lines offered by the bank.

Home Mortgage Loans

Refer to Table P in the state of Colorado section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

Denver Aurora Lakewood MSA

The distribution of the bank's home mortgage lending was adequate, when considering performance context. The proportion of loans was significantly below the percentage of LMI families, and the aggregate.

As previously mentioned in the Description of Operations section, the high cost of housing significantly impacted the bank's ability to make mortgage loans to LMI borrowers. Based upon an analysis of housing affordability, the payment (\$2,671) requires a 30-year mortgage used to purchase an average home in the AA is significantly larger than the monthly income of LMI borrowers, based upon the FFIEC AMFI.

Approximately 42 percent of the bank's home mortgage lending consisted of loans with no available income information. This group of loans consisted of 104 loan originations with combined business/commercial and investment property characteristics and 68 purchased loans.

Additionally, as part of the bank's loan servicing activity, MFB offered its residential mortgage loan servicing customers the opportunity to apply and be evaluated for a loss mitigation plan. During the evaluation period, 35 loans to LMI borrowers were part of loss mitigation plans.

Boulder MSA

Due to the bank's limited presence and time in the Boulder MSA, the bank did not originate or purchase a sufficient volume of home mortgage loans during the evaluation period to perform a meaningful analysis.

Small Loans to Businesses

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

Denver-Aurora-Lakewood MSA

The distribution of the bank's loans to small businesses by revenue was good. The proportion of loans was well below the percentage of small businesses and exceeded the aggregate.

Boulder MSA

Due to the bank's limited presence and time in the Boulder MSA, the bank did not originate or purchase a sufficient volume of small business loans during the evaluation period to perform a meaningful analysis

Community Development Lending

The bank is a leader in making CD loans.

The Lending Activity Tables, shown on page 37, set forth the information and data used to evaluate the bank's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

Denver Aurora Lakewood MSA

The bank is a leader in CD loans, which had a significantly positive impact on lending performance in the AA. We considered the lending opportunities with direct benefit within the AA and the bank's capacity to address these needs.

MFB originated 16 CD loans totaling \$74.7 million and representing 86.8 percent of allocated tier 1 capital. CD loans exhibited excellent responsiveness to the credit and community needs in the AA. Loans primarily supported affordable housing and revitalization or stabilization in the AA.

Examples of CD loans originated during the evaluation period include:

- A \$17 million loan to a HUD-subsidized section 8 low-income senior housing project to fund building system upgrades and interior unit renovations.
- A \$3 million loan to a nonprofit to fund acquisition and development of affordable housing for LMI borrowers.
- A \$3.5 million loan to a nonprofit to refinance and provide working capital for a school that serves disadvantaged children from all cultures and socio-economic backgrounds where approximately 80 percent of children are LMI.
- A \$9 million loan for mixed use properties that includes 78 units or 83 percent of the 94 affordable housing units.
- A \$3.1 million loan to finance the acquisition and renovation of a retail/office building in the Denver County South Metro Enterprise Zone.

Boulder MSA

The bank has made a relatively high level of CD loans, which had a significantly positive impact on lending performance in the AA. We considered the bank's limited presence, lending opportunities with direct benefit within the AA, and the bank's capacity to address these needs.

MFB refinanced a loan totaling \$4.5 million representing 165.1 percent of allocated tier 1 capital. The loan was to an organic skin care manufacturer located in the North Metro Admin Enterprise Zone. This loan exhibited excellent responsiveness to the credit and community needs as the loan supported revitalization and stabilization within the AA.

Regional

We also considered the impact of CD loans in the regional and statewide area. The bank made five CD loans totaling \$39.5 million in the regional and statewide area. These loans provided community services, affordable housing, and revitalization stabilization in these areas.

Product Innovation and Flexibility

The bank makes limited use of innovative and/or flexible lending practices in order to serve AA credit needs. During the evaluation period, MFB offered a number of home mortgage products with flexible underwriting terms to assist borrowers in obtaining a home loan and Home Free and Home Free for Education programs which were targeted to either LMI borrowers or LMI CTs by providing a lender credit up to \$2 thousand toward the borrower's closing costs. During the evaluation period, one flexible product loan was originated in the Denver Aurora Lakewood MSA.

Conclusions for Area Receiving a Limited-Scope Review

Based on a limited scope review, the bank's performance under the Lending Test in the Colorado Non-MSA is weaker than the bank's overall performance under the Lending Test in the full-scope areas. The bank entered the market in April 2019 and did not originate or purchase a sufficient volume of home mortgage or small business loans during the evaluation period to perform a meaningful analysis.

Refer to Tables O through R in the state of Colorado section of appendix D for the facts and data that support these conclusions.

INVESTMENT TEST

The bank's performance under the Investment Test in Colorado is rated High Satisfactory.

Conclusions for Areas Receiving a Full-Scope Reviews

Based on full-scope reviews, the bank's performance in the Denver Aurora Lakewood MSA and Boulder MSA is good.

The bank has a significant level of qualified CD investments and grants, occasionally in a leadership position, particularly those that are not routinely provided by private investors.

The bank exhibits good responsiveness to credit and community economic development needs. The bank makes significant use of innovative and/or complex investments to support CD initiatives.

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Full-Scope										
Denver Aurora Lakewood MSA	4	3,327	28	4,559	32	94.1	7,886	92.5		
Boulder MSA	-	-	2	640	2	5.9	640	7.5		

* 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 bank's financial reporting system.

Denver-Aurora-Lakewood MSA

Performance in the AA is good. Qualified investments totaled \$7.9 million, with current period investments totaling \$4.6 million including donations totaling \$107 thousand and prior period investments totaling \$3.3 million. Total investments represent 9.2 percent of allocated tier 1 capital. Investments include a Low-Income Housing Tax Credit (LIHTC) and mortgage back securities pools benefiting LMI borrowers and geographies. Notable donations were made to organizations that promote affordable housing and provide community services to LMI individuals. Investments and donations were especially responsive to AA needs as community contact identified the gap between housing costs and income to be widening causing access to affordable housing to be limited.

Boulder MSA

Performance in the AA is excellent. Qualified investments totaled \$640 thousand, all of which are current period investments. Total investments represent 23.5 percent of allocated tier 1 capital. Investments include a LIHTC and a mortgage back securities pool benefiting LMI borrowers and geographies. Investments were especially responsive to AA needs as access to affordable housing is limited. A community contact from a local government agency identified affordable housing as a significant need in the AA.

Conclusions for Area Receiving a Limited-Scope Review

Based on a limited-scope review, the bank's performance under the Investment Test in the Non-MSA AA is weaker than the bank's overall performance under the Investment Test in the full-scope areas. The bank did not make any investments in the AA; however, it is adequate as the bank has only operated in the AA since April 2019.

SERVICE TEST

The bank's performance under the Service Test in Colorado is rated Low Satisfactory.

Conclusions for Area Receiving a Full-Scope Review

Based on full-scope reviews, the bank’s performance in the Denver Aurora Lakewood MSA is adequate. Based on a full-scope review, the bank’s performance in the Boulder MSA is adequate.

Retail Banking Services

Service delivery systems are reasonably accessible to geographies and individuals of different income levels in the bank’s AA.

Distribution of Branch Delivery System											
Assessment Area	Deposits	Branches						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				% of Population within Each Geography			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full-Scope											
Denver Aurora Lakewood MSA	93.2	4	66.7	0.0	0.0	0.0	100.0	18.7	26.6	27.3	27.3
Boulder MSA	3.0	1	16.7	0.0	0.0	0.0	100.0	6.7	22.3	43.1	27.9
Limited Scope											
Colorado Non-MSA	3.8	1	16.6	0.0	0.0	0.0	100	0.0	0.0	25.6	74.5

Denver-Aurora-Lakewood MSA

The bank has 4 branches in the AA with none in low or moderate-income geographies. The percentage of branches located in low-income areas was significantly below the percentage of the population residing in these geographies. MFB has one branch in the AA that is in close proximity, less than 0.5 miles, to a moderate-income geography. Bank-provided data supports that there is adequate usage penetration in the geography. In the upper-income CT where the branch is located, there are 96 MFB deposit accounts. In the adjacent moderate-income CT, there are 35 MFB deposit accounts. This represents 6 percent of the population in the branch upper-income CT and nearly 1 percent of the population in the adjacent moderate-income CT.

Boulder MSA

The branch in the Boulder MSA was opened during the evaluation period, on October 4, 2018; therefore, our conclusions are based on 14 months of performance. The bank has one branch in the AA, with none in low or moderate-income geographies. The percentage of branches located in low- and moderate-income areas was significantly below the percentage of the population residing in these geographies. There is a moderate-income geography directly adjacent to the branch in the AA, less than 0.5 miles. Bank-provided data supports that there is adequate usage penetration in the moderate geography that is consistent with the geography of the branch. In the upper-income CT where the branch is located, there are 13 MFB deposit

accounts. In the adjacent moderate-income CT, there are 9 MFB deposit accounts. This represents 1 percent of the population in the branch upper-income CT and 1 percent of the population in the adjacent moderate-income CT.

The bank complements its traditional service delivery methods in the Denver and Boulder MSAs with certain alternative retail delivery systems, such as deposit-taking ATMs, direct deposit, telephone banking, mobile banking, and online banking. In the AAs, deposit-taking ATMs are associated with existing branches. No significant weight was placed on these services, as no data was available to determine the impact on, or usage by, LMI individuals.

Distribution of Branch Openings/Closings						
			Net change in Location of Branches (+ or -) by Income of Geographies			
Assessment Area	# of Branch Openings	# of Branch Closings	Low	Moderate	Middle	Upper
Denver Aurora Lakewood MSA						
Boulder MSA	1					+1

To the extent changes have been made, the bank’s opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in LMI geographies and/or to LMI individuals. No branches were opened or closed in the Denver-Aurora-Lakewood MSA during the evaluation period. The bank opened one branch in an upper-income geography in the Boulder MSA.

Services, including where appropriate, business hours, do not vary in a way that inconveniences its AA, particularly LMI geographies and individuals. All branches operate during similar banking hours.

Community Development Services

The bank provides an adequate level of CD services.

Denver-Aurora-Lakewood MSA

CD services were effective and responsive in helping the bank address community needs. The bank conducted or supported an adequate number of CD services, consistent with its capacity and expertise to conduct specific activities. Seven bank employees provided services to 9 different CD organizations totaling 387 hours during the evaluation period. Included in these services are 80 hours where bank employees served in leadership roles.

Example of these services:

- One employee provided 160 hours of service including to a nonprofit organization that provides community services to low-income women for career development and clothing needs to obtain professional jobs.
- One employee provided 41 hours of service to two organizations that provide technical assistance and microfinance access to small businesses in the AA.

Boulder MSA

There were no CD services in the Boulder MSA, though there are opportunities to provide CD services.

Conclusions for Area Receiving a Limited-Scope Review

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

State Rating

State of Oklahoma

CRA rating for the State of Oklahoma⁴: Outstanding

The Lending Test is rated: Outstanding

The Investment Test is rated: High Satisfactory

The Service Test is rated: High Satisfactory

The major factors that support this rating include:

- Lending levels reflect good responsiveness to AA credit needs;
- The bank exhibits a good geographic distribution of loans in its AAs;
- The bank exhibits an excellent distribution of loans among individuals of different income levels and businesses of different sizes, given the product lines offered by the bank;
- The bank is a leader in making CD loans and was responsive to community needs;
- The bank exhibits good responsiveness to credit and community economic development needs;
- Service delivery systems are accessible to geographies and individuals of different income levels in the AAs;
- The bank provides a relatively high level of CD services.

Description of Institution's Operations in Oklahoma

MFB has three AAs within the state of Oklahoma. These AAs include the Oklahoma City MSA, the Tulsa MSA, and the Oklahoma Non-MSA. The Oklahoma City MSA AA consists of Oklahoma, Canadian, Cleveland, and Grady Counties. The Tulsa MSA AA consists of Tulsa County. The Oklahoma Non-MSA AA consists of Caddo, Custer, Jackson, Payne, Pottawatomie, Texas, Washita, and Woodward Counties. The non-metropolitan areas were combined for analysis purposes.

Based on FDIC Deposit Market Share data as of June 30, 2019, MFB had a 7.3 percent deposit market share in Oklahoma and is ranked second out of 223 financial banks doing business in the state. The deposits accounted for 66.7 percent of the total bank deposits. Primary competitors include BOKF which ranked first (13.1 percent) with 52 offices, BancFirst

⁴ This rating reflects performance within the state. The statewide evaluations do not reflect performance in the parts of those states contained within the multistate metropolitan statistical area.

which ranked third (7.3 percent) with 114 offices, and Arvest Bank (5.2 percent) which ranked fourth with 97 offices.

MFB provides a full range of loan and deposit products and services in the state. The bank operates 49 full-service branches in the state. Ten branches are located in moderate-income CTs, 20 branches are located in middle-income CTs, 18 branches are located in upper-income CTs, and one branch is located in a CT that has not been assigned an income distribution. There are no branches located in low-income CTs. The bank also operates 108 ATMs, 46 of which are deposit-taking. Of the 46 deposit-taking ATMs, one is located in a low-income CT, seven are located in moderate-income CTs, 18 are located in middle-income CTs, 18 are located in upper-income CTs, and two are located in CTs that have not been assigned an income classification. The branches represent 61.3 percent of the bank’s total branch network.

Oklahoma City MSA

Table A – Demographic Information of the Assessment Area						
Assessment Area: Oklahoma City MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	342	8.5	29.5	36.0	23.4	2.6
Population by Geography	1,202,899	6.8	24.7	38.9	29.4	0.3
Housing Units by Geography	505,049	6.7	26.8	38.7	27.4	0.3
Owner-Occupied Units by Geography	284,883	3.7	18.9	41.9	35.5	0.1
Occupied Rental Units by Geography	168,435	10.5	37.5	34.5	16.9	0.6
Vacant Units by Geography	51,731	11.0	35.6	35.6	17.1	0.6
Businesses by Geography	110,823	4.4	21.8	35.5	35.2	3.1
Farms by Geography	2,973	3.4	16.2	43.4	36.2	0.8
Family Distribution by Income Level	293,275	21.5	17.3	20.5	40.8	0.0
Household Distribution by Income Level	453,318	23.5	16.7	18.0	41.8	0.0
Median Family Income MSA - 36420 Oklahoma City, OK MSA	\$73,100		Median Housing Value			\$137,897
			Median Gross Rent			\$804
			Families Below Poverty Level			11.4%

*Source: 2015 ACS and 2019 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.*

The Oklahoma City MSA is comprised of Oklahoma, Canadian, Cleveland, and Grady Counties. The AA meets the requirements of the regulation and does not arbitrarily exclude LMI geographies. According to 2010 U.S. Census data, the AA consists of 342 CTs, of which 29 are low-income, 101 are moderate-income, 123 are middle-income, 80 are upper-income, and nine have not been assigned an income classification. There are 32 branches located in the AA.

Based on FDIC Deposit Market Share data as of June 30, 2019, MFB has a 16.7 percent deposit market share in the AA and is ranked first out of 70 banks in the market area. The deposits accounted for 53.2 percent of the total bank deposits. Primary competitors include JPMorgan Chase Bank, which ranked second in deposit market share (10.9 percent) with 18 offices; Bank of America, which ranked third in deposit market share (10.0 percent) with 13 offices, and BOKF, which ranked fourth in deposit market share (9.0 percent) with 20 offices.

The bank made 30.3 percent of its loan originations and purchases in the AA compared to total bank loans during the evaluation period.

The top mortgage lender in the Oklahoma City MSA was Cornerstone Home Lending with 5.1 percent market share followed by US Bank with 5.0 percent market share and Wells Fargo Bank with 4.7 percent market share. MFB is ranked tenth among 498 lenders with 2.5 percent market share.

In small loans to businesses, the bank ranked tenth among 123 lenders with 1.8 percent market share. The top three small business lenders were American Express National Bank with 20.8 percent market share, Chase Bank USA with 13.0 percent market share, and Capital One Bank with 6.4 percent market share.

The Oklahoma City economy continues to be reliant on energy prices. Fluctuations in oil prices have a significant impact on economic conditions. State budget cuts in response to declines in oil prices affect multiple areas of the economy. Oklahoma City also has a significant percentage of governments jobs with the State of Oklahoma, Tinker Air Force Base, the University of Oklahoma, and Federal Aviation Administration. Major health systems are also among the top employers in the AA.

Housing affordability is a challenge for low-income individuals. The FFIEC adjusted median family income was \$73,100. The median housing value was \$217,550 in January 2017 and \$250,050 in December 2019, an increase of 14.9 percent, according to Realtor.com. The 2019 housing value would require a mortgage payment of approximately \$1,342 based on a 30-year mortgage at a five percent interest rate. Based on this data and not accounting for down payment, homeowners insurance, real estate taxes, or any additional monthly expenses, a low-income borrower making \$36,550 per year (or less than 50 percent of the 2019 FFIEC adjusted median family income in the AA) could afford a mortgage payment of \$914 per month. A moderate-income borrower making \$58,480 per year (or less than 80 percent of the 2019 FFIEC adjusted median family income in the AA) could afford a mortgage payment of \$1,462 per month. This illustrates that low-income borrowers would be challenged to qualify for a mortgage loan in the AA.

The OCC consulted four community contacts performed in the AA, including an economic development organization, a government entity, and two housing assistance agencies, which reported the following needs within the community:

- Funding for projects that create more LMI jobs
- Financing for retail business
- Funding for affordable housing developments
- Affordable housing assistance programs

Tulsa MSA

Table A – Demographic Information of the Assessment Area						
Assessment Area: Tulsa MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	175	9.7	30.9	29.1	30.3	0.0
Population by Geography	623,335	8.0	26.8	31.2	33.9	0.0
Housing Units by Geography	274,891	8.3	28.2	31.8	31.6	0.0
Owner-Occupied Units by Geography	146,793	4.5	20.5	32.9	42.1	0.0
Occupied Rental Units by Geography	99,287	12.4	36.9	31.6	19.1	0.0
Vacant Units by Geography	28,811	13.6	37.3	27.3	21.8	0.0
Businesses by Geography	68,038	3.9	21.6	34.0	40.5	0.0
Farms by Geography	1,485	3.6	17.3	38.6	40.5	0.0
Family Distribution by Income Level	156,574	22.0	16.9	19.6	41.4	0.0
Household Distribution by Income Level	246,080	24.4	16.5	17.7	41.5	0.0
Median Family Income MSA - 46140 Tulsa, OK MSA	\$68,600		Median Housing Value			\$141,333
			Median Gross Rent			\$783
			Families Below Poverty Level			12.3%
<i>Source: 2015 ACS and 2019 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>						

The Tulsa MSA AA consists of Tulsa County. The AA meets the requirements of the regulation and does not arbitrarily exclude LMI geographies. According to 2010 U.S. Census data, the AA consists of 175 CTs, of which 17 are low-income, 54 are moderate-income, 51 are middle-income, and 53 are upper income.

Based on FDIC Deposit Market Share data as of June 30, 2019, MFB had a 3.7 percent deposit market share in the Tulsa MSA and is ranked fourth out of 44 banks in the market area. The deposits accounted for 8.5 percent of the total bank deposits. Primary competitors include BOKF, which ranked first in deposit market share (37.2 percent) with 24 offices; Arvest Bank, which ranked second in deposit market share (7.5 percent) with 24 offices; and Bank of America, which ranked third in deposit market share (6.7 percent) with 12 offices.

The bank made 6.4 percent of its loan originations and purchases in the AA compared to total bank loans during the evaluation period.

The top mortgage lender in the Tulsa MSA is BOKF with 10.4 percent market share followed by Associated Mortgage Corporation with 6.8 percent market share and Arvest Bank with 6.5 percent market share. The bank ranked 16th among 388 lenders with 1.4 percent market share.

In small loans to businesses, MFB is ranked 20th among 109 lenders with 0.8 percent market share. The top three small business lenders are American Express National Bank with 20.8 percent market share, Chase Bank USA with 17.8 percent market share, and US Bank with 6.7 percent market share.

The Tulsa economy is also impacted by fluctuations in energy prices. State budget cuts in response to declines in oil prices affect multiple areas of the economy. Healthcare and aerospace are also significant local industries. The banking market in Tulsa is dominated by BOKF which is headquartered there.

While housing remains relatively affordable in relation to the nation, housing prices did increase by 26.9 percent from \$196,550 in January 2017 to \$249,500 in December 2019, according to Realtor.com. The 2019 FFIEC adjusted median family income was \$68,600 for the MSA. The December 2019 housing value would require a mortgage payment of \$1,339 based on a 30-year mortgage and a five percent interest rate. Based on this data and not accounting for down payment, homeowners insurance, real estate taxes, or any additional monthly expenses, a low-income borrower making \$34,300 per year (or less than 50 percent of the 2019 FFIEC adjusted median family income in the AA) could afford a mortgage payment of \$858 per month. A moderate-income borrower making \$54,880 per year (or less than 80 percent of the 2019 FFIEC adjusted median family income in the AA) could afford a mortgage payment of \$1,372 per month. This illustrates that low-income borrowers would be challenged to qualify for a mortgage loan in the AA.

The OCC consulted two community contacts performed in the AA, an economic development organization and a community action agency, which reported the following identified needs within this community:

- Outreach and resources to assist LMI with affordable housing
- Financing for affordable housing
- Funding for large grocery stores in “food desert” areas

Scope of Evaluation in Oklahoma

For the state of Oklahoma, we completed a full-scope review of the Oklahoma City MSA and the Tulsa MSA. Ratings are based primarily on results of the full-scope areas. We completed a limited-scope review of the Oklahoma Non-MSA. Bank delineated non-MSAs within the state are combined, analyzed, and presented as one AA for the purposes of the evaluation.

The Oklahoma City MSA received greater weight based on the significantly higher volume of deposits and loans, as well as, the number of branches in the AA.

Refer to the Scope of the Evaluation Table in Appendix A for AA delineations.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN OKLAHOMA

LENDING TEST

The bank’s performance under the Lending Test in Oklahoma is rated Outstanding.

Conclusions for Areas Receiving a Full-Scope Reviews

Based on full-scope reviews, the bank’s performance in the Oklahoma City MSA and the Tulsa MSA is excellent when considering the loss mitigation loan plans.

Lending Activity

Lending levels reflect good responsiveness to AA credit needs.

Number of Loans*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	% State Loans	% State Deposits
Oklahoma City MSA	2,757	1,326	0	19	4,102	75.2	79.7
Tulsa MSA	579	281	0	6	866	15.9	12.7
Oklahoma Non-MSA	412	73	0	0	485	8.9	7.6
Total	3,748	1,680	0	25	5,453	100.00	100.00

**This table presents the data for all AAs. The narrative below addresses performance in full-scope areas only.*

Dollar Volume of Loans (000s)*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	% State Loans	% State Deposits
Oklahoma City MSA	463,908	272,605	0	249,165	985,678	78.0	79.7
Tulsa MSA	117,425	68,139	0	50,100	235,664	18.7	12.7
Oklahoma Non-MSA	34,303	7,810	0	0	42,113	3.3	7.6
Total	615,636	348,554	0	299,265	1,263,455	100.00	100.00

**This table presents the data for all AAs. The narrative below addresses performance in full-scope areas only.*

Oklahoma City MSA

According to the FDIC Deposit Market Share data as of June 30, 2019, the bank ranked 1st among 70 deposit banks with a market share of 16.65 percent, placing in the top one percentile of deposits.

Based on 2019 Peer Mortgage Data, MFB ranked tenth out of 498 mortgage lenders with a market share of 2.5 percent, placing in the top two percentile of all mortgage lenders in the AA.

The bank's market share is weaker than the deposit market share. While the HMDA lending market share is lower than the bank's deposit market share, this is a highly competitive market. The top five lending competitors, consisting of national banks, a mortgage lender, and a non-bank lender, have a combined market share of 23.1 percent. The bank's market share ranking for home mortgage lending, relative to the number of mortgage lenders in the AA, is near to its deposit market share, relative to the number of depository banks in the AA.

According to the 2018 Peer Small Business data, the bank ranked tenth out of 123 small business lenders with 1.8 percent market share, placing it in the eighth percentile of small business lenders in the AA. The bank's market share is weaker than the deposit market. The top five lending competitors, consisting of national banks, have a combined market share of 52.6 percent and are large issuers of small business credit cards with average loan sizes of \$10 to \$16 thousand. The bank's market share ranking for small business lending, relative to the number of small business lenders in the AA, is weaker than its deposit market share, relative to the number of depository banks.

Tulsa MSA

According to the FDIC Deposit Market Share data as of June 30, 2019, the bank ranked fourth among 44 deposit banks with a market share of 3.7 percent, placing in the top nine percentile of deposits.

Based on 2019 Peer Mortgage Data, MFB ranked 16th out of 388 mortgage lenders with a market share of 1.4 percent, placing in the top fourth percentile of all mortgage lenders in the AA. The bank's market share is weaker than the deposit market share. While the HMDA lending market share is lower than the bank's deposit market share, this is a highly competitive market. The top five lending competitors, consisting of national banks, mortgage companies, and a regional bank, have a combined market share of 32.4 percent. The bank's market share ranking for home mortgage lending, relative to the number of mortgage lenders in the AA, is significantly higher than its deposit market share, relative to the number of depository banks in the AA.

According to the 2018 Peer Small Business data, the bank ranked 20th out of 109 small business lenders with 0.8 percent market share, placing it in the 18th percentile of small business lenders in the AA. The bank's market share is weaker than the deposit market. The top five lending competitors, consisting of national banks and a regional bank, have a combined market share of 57.7 percent and four of the five competitors are large issuers of small business credit cards with average loan sizes of \$7 to \$13 thousand. The bank's market share ranking for small business lending, relative to the number of small business lenders in the AA, is weaker than its deposit market share, relative to the number of depository banks.

Distribution of Loans by Income Level of the Geography

The bank exhibits an excellent geographic distribution of loans in its AAs.

Home Mortgage Loans

Refer to Table O in the state of Oklahoma section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

Oklahoma City MSA

The geographic distribution of loans in the bank's AA reflects good dispersion in LMI CTs. The bank's distribution of loans in LMI geographies is below the proportion of owner-occupied housing and exceeds the aggregate distribution of loans.

Tulsa MSA

The geographic distribution of loans in the bank's AA reflects good dispersion in LMI CTs. The bank's distribution of loans in LMI geographies is below the proportion of owner-occupied housing and exceeds the aggregate distribution of loans.

Small Loans to Businesses

Refer to Table Q in the state of Oklahoma 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.

Oklahoma City MSA

The distribution of small loans to businesses in LMI geographies is excellent. The proportion of small business loans in low-income geographies exceeds the proportion of businesses in those geographies and somewhat near to the aggregate distribution of loans. The proportion of loans in moderate-income geographies is near to the proportion of businesses in those geographies and exceeds the aggregate distribution of loans.

Tulsa MSA

The distribution of small loans to businesses in LMI geographies is good. The proportion of small business loans in low-income geographies exceeds the proportion of businesses in those geographies and the aggregate distribution of loans. The proportion of loans in moderate-income geographies is below the proportion of businesses in those geographies and the aggregate distribution of loans.

Lending Gap Analysis

The OCC evaluated the lending distribution in the AA to determine if any unexplained, conspicuous gaps existed. We reviewed summary reports, maps, and analyzed MFB's home mortgage and small business lending activity over the evaluation period to identify any gaps in the geographic distribution of loans. We did not identify any unexplained conspicuous gaps.

Distribution of Loans by Income Level of the Borrower

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

Home Mortgage Loans

Refer to Table P in the state of Oklahoma section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

Oklahoma City MSA

The distribution of the bank's home mortgage lending was excellent, when considering the strong level of competition, level of loss mitigation loan plans, and other performance context. The proportion of loans was well below the percentage of low-income families and the aggregate. The proportion of loans was below the percentage of moderate-income families and well below the aggregate.

As previously mentioned in the Description of Operations section, the high cost of housing significantly impacted the bank's ability to make mortgage loans to LMI borrowers. Based upon an analysis of housing affordability, the payment (\$1,342) requires a 30-year mortgage used to purchase an average home in the AA is significantly larger than the monthly income of LMI borrowers, based upon the FFIEC AMFI.

Over 40 percent of the bank's home mortgage lending consisted of loans with no available income information. This group of loans consisted of 406 loan originations with combined business/commercial and investment property characteristics and 707 purchased loans.

Additionally, as part of the bank's loan servicing activity, MFB offered its residential mortgage loan servicing customers the opportunity to apply and be evaluated for a loss mitigation plan. During the evaluation period, 282 loans to LMI borrowers were part of loss mitigation plans.

Tulsa MSA

The distribution of the bank's home mortgage lending was excellent, when considering the strong level of competition, level of loss mitigation loan plans, and other performance context. The proportion of loans was significantly below the percentage of low-income families and the aggregate. The proportion of loans was well below the percentage of moderate-income families and the aggregate.

As previously mentioned in the Description of Operations section, the high cost of housing significantly impacted the bank's ability to make mortgage loans to LMI borrowers. Based upon an analysis of housing affordability, the payment (\$1,339) requires a 30-year mortgage used to purchase an average home in the AA is significantly larger than the monthly income of LMI borrowers, based upon the FFIEC AMFI.

Over 46 percent of the bank’s home mortgage lending consisted of loans with no available income information. This group of loans consisted of 31 loan originations with combined business/commercial and investment property characteristics and 236 purchased loans.

Additionally, as part of the bank’s loan servicing activity, MFB offered its residential mortgage loan servicing customers the opportunity to apply and be evaluated for a loss mitigation plan. During the evaluation period, 95 loans to LMI borrowers were part of loss mitigation plans.

Small Loans to Businesses

Refer to Table R in the state of Oklahoma section of appendix D for the facts and data used to evaluate the borrower distribution of the bank’s origination and purchase of small loans to businesses.

Oklahoma City MSA

The distribution of the bank’s loans to small businesses by revenue was good. The proportion of loans was well below the percentage of small businesses and exceeds the aggregate.

Tulsa MSA

The distribution of the bank’s loans to small businesses by revenue was good. The proportion of loans was well below the percentage of small businesses and exceeds the aggregate.

Community Development Lending

The bank is a leader in making CD loans.

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the bank’s level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

Oklahoma City MSA

The bank is a leader in making CD loans, which had a significantly positive impact on lending performance in the AA. We considered the lending opportunities with direct benefit within the AA and the bank’s capacity to address these needs.

MFB originated 19 CD loans totaling \$249.2 million and representing 26.3 percent of allocated tier 1 capital. CD loans originated exhibited excellent responsiveness to the credit and community needs in the AA. Loans primarily supported revitalization and stabilization and affordable housing in the AA.

Examples of CD loans originated during the evaluation period include:

- A \$27.8 million loan to fund construction of an office building as part of the Oklahoma City Job Incentive Program and located in the Oklahoma City Prioritize Enterprise Zone and the Oklahoma City Neighborhood Revitalization Strategy Area.

- A \$38.1 million loan to finance equipment and real estate for a manufacturer and marketer of home repair and improvement products. The majority of employees are LMI, and the facility is located in the Oklahoma City Enterprise Zone.
- A \$7.4 million loan to finance construction of a mixed-use building in a moderate-income CT in the Oklahoma City Enterprise and Opportunity Zones.
- A \$2.1 million loan for a 26-unit multifamily property that provides affordable housing to the majority of the residents.
- A \$2.8 million loan to fund the construction of a medical building in the Oklahoma City Neighborhood Revitalization Strategy Area.

Tulsa MSA

The bank is a leader in making CD loans, which had a significantly positive impact on lending performance in the AA. We considered the lending opportunities with direct benefit within the AA and the bank's capacity to address these needs.

MFB originated six CD loans totaling \$50.1 million and representing 33.1 percent of allocated tier 1 capital. CD loans originated exhibited excellent responsiveness to the credit and community needs in the AA. Loans primarily supported community services and revitalization and stabilization in the AA.

Examples of CD loans originated during the evaluation period include:

- A \$15 million line of credit to an educational supply company located in an LMI area.
- A \$3 million loan to fund new equipment purchases for a vending distributor operating in the Tulsa Priority Enterprise Zone.
- A \$24.1 million loan originally for the purchase of land and construction of a television studio using New Market Tax Credits.
- A \$3.5 million loan to an exercise equipment distributor located in the Tulsa Priority Enterprise Zone.

Regional

The bank originated \$15 million in CD loans to a broadband communication company which provided for the build out of fixed broadband and voice services in primarily rural and underserved areas benefited three states, including Oklahoma, which had a positive impact within the AA.

Product Innovation and Flexibility

The bank makes extensive use of innovative and/or flexible lending practices to serve AA credit needs. During the evaluation period, MFB offered a number of home mortgage products with flexible underwriting terms to assist borrowers in obtaining a home mortgage loan, and Home Free and Home Free for Education programs which were targeted to either LMI borrowers or LMI CTs by providing a lender credit up to two thousand dollars toward the borrower's closing costs.

During the evaluation period, in the Oklahoma City MSA, the bank originated 101 flexible product loans of which 23.8 percent of these loans were located in LMI CTs and 30.7 percent were to LMI borrowers.

In the Tulsa MSA, MFB originated ten flexible product loans of which 40 percent of these loans were located in LMI CTs and 40 percent were to LMI borrowers.

Conclusions for Area Receiving a Limited-Scope Review

Based on a limited-scope review, the bank’s performance under the Lending Test in the Oklahoma Non-MSA is weaker than the bank’s overall excellent performance under the Lending Test in the full-scope areas. The performance rating in the Oklahoma Non-MSA was good.

Refer to Tables O through R in the state of Oklahoma section of appendix D for the facts and data that support these conclusions.

INVESTMENT TEST

The bank’s performance under the Investment Test in Oklahoma is rated High Satisfactory.

Conclusions for Areas Receiving a Full-Scope Reviews

Based on full-scope reviews, the bank’s performance in the Oklahoma City MSA and Tulsa MSA is good.

The bank has a significant level of qualified CD investments and grants, occasionally in a leadership position, particularly those that are not routinely provided by private investors.

The bank exhibits good responsiveness to credit and community economic development needs. The bank makes significant use of innovative and/or complex investments to support CD initiatives.

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000’s)	#	\$(000’s)	#	% of Total #	\$(000’s)	% of Total \$	#	\$(000’s)
Full-Scope										
Oklahoma City MSA	48	28,054	60	21,210	100	57.47	49,264	71.55		
Tulsa MSA	20	6,254	32	5,461	52	29.89	11,715	17.01		
Limited-Scope										
Oklahoma Non-MSA	14	3,132	8	4,745	22	12.64	7,877	11.44		

* 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 bank's financial reporting system.

Qualified investments totaled \$68.9 million, with current period investments of \$31 million, prior period investments of \$37.4 million, and qualified grants of \$445 thousand. Investments benefiting AAs during the evaluation period represented 5.79 percent of allocated tier 1 capital. There were no unfunded investment commitments at the end of the evaluation period.

Consideration was given to the ongoing impact of investments made prior to the current evaluation period within the AA. The remaining balances consisted of \$21.5 million in qualifying MBS supporting mortgages to LMI borrowers, one qualifying multifamily housing bond with outstanding balance of \$3.7 million, three qualifying municipal bonds totaling an outstanding balance of \$1.56 million, a qualifying equity note with outstanding balance of \$900 thousand, and a Small Business Investment Company (SBIC) with outstanding balance of \$393 thousand. Tulsa MSA AA consisted of \$6.3 million in qualifying MBS supporting mortgages to LMI borrowers. Finally, Oklahoma Non-MSA AA consisted of \$1.6 million in qualifying MBS supporting mortgages to LMI borrowers and \$1.5 million in qualifying municipal bonds.

MFB's \$1.4 million equity investment is a Community Development Financial Institution (CDFI) Metafund, which demonstrates the bank's commitment to innovative and complex investment vehicles. MFB was the first financial bank to increase its original investment of \$900 thousand in the Metafund and is the largest investor. Metafund focuses on a number of CRA mission qualifying activities such as coordination and administration of New Markets Tax Credit allocations, purchasing Habitat for Humanity loans to create liquidity for local Habitat chapters to originate more loans, and supplement commercial loan funding to encourage banks to make loans they otherwise would not consider. As discussed in the lending test, the bank made five loans during the evaluation period, totaling \$873 thousand with supplemental Metafund second mortgages.

All grants made were to organizations providing services benefiting LMI individuals and families within the AAs.

Examples of qualified grants in the AAs include

- \$60 thousand donation to an organization targeting childhood poverty by supplying essential needs such as infant formula and food as well as diapers and clothing for babies and toddlers in times of crisis.
- \$55 thousand donation to an organization that teaches financial literacy, work readiness, and entrepreneurship to students in the AAs
- \$38.5 thousand to an organization providing small business and financial education and training, asset savings programs, weatherization and emergency home repair, free tax preparation, and head start for pre-school children in LMI families.

Conclusions for Area Receiving a Limited-Scope Review

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

SERVICE TEST

The bank’s performance under the Service Test in Oklahoma is rated High Satisfactory.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank’s performance in the Oklahoma City MSA is good. Based on a full-scope review, the bank’s performance in the Tulsa MSA is adequate.

Retail Banking Services

Service delivery systems are accessible to geographies and individuals of different income levels in the bank’s AA.

Distribution of Branch Delivery System											
Assessment Area	Deposits	Branches						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				% of Population within Each Geography			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full-Scope											
Oklahoma City MSA	79.7	30	65.3	0.0	26.7	40.0	33.3	6.8	24.7	38.9	29.4
Tulsa MSA	12.7	10	20.4	0.0	10.0	40.0	50.0	8.0	26.8	31.2	33.9
Limited Scope											
Oklahoma Non-MSA	7.6	7	14.3	0.0	14.3	42.9	42.9	4.9	19.6	43.7	31.8

As of the date of this Performance Evaluation, MFB has 32 branches located in the Oklahoma City MSA. Two of the 32 branches are located in a tract lacking income information (NA tract).

Oklahoma City MSA

The bank has 32 branches in the AA. There are no branches in low-income geographies but an excellent level of branches in moderate-income geographies, when compared to the percent of the AA population that resides within each geography. It was noted that a low percentage of the AA population, less than 7 percent, resides in low-income geographies. In addition, MFB has 13 MFB branches in the AA with LMI geographies in close proximity, less than 0.5 miles from each branch. Bank-provided data supports that there is excellent usage penetration in these LMI geographies. In the middle- and upper-income CTs where the 13 branches are located, there are 8,742 MFB deposit accounts. In the LMI adjacent CTs, there are 9,659 MFB deposit accounts.

Tulsa MSA

The bank has 10 branches in the AA, with none in low-income geographies. The percentage of branches located in moderate-income areas was below the percentage of the population

residing in these geographies. MFB has one branch in the AA that is in close proximity, less than 0.5 miles, to a moderate-income geography. Bank-provided data supports that there is good usage penetration in the proximate moderate-income geography that is consistent with the upper-income geography of the branch. In the upper-income CT where the branch is located, there are 275 MFB deposit accounts. In the adjacent moderate-income CT, there are 219 MFB deposit accounts. This represents 20 percent of the population in the branch upper-income CT and 18 percent of the population in the adjacent moderate-income CT.

The bank complements its traditional service delivery methods in the Oklahoma City and Tulsa MSAs with certain alternative retail delivery systems, such as deposit-taking ATMs, direct deposit, telephone banking, mobile banking, and online banking. MFB has 81 ATMs in the Oklahoma City MSA, of which 29 are deposit-taking. Of the deposit-taking ATMs, five (17 percent) are in LMI CTs. MFB has 10 ATMs in the Tulsa MSA, of which 9 are deposit-taking. Of the deposit-taking ATMs, one (11 percent) is in a LMI CT. In both AAs, the deposit-taking ATMs in LMI CTs are associated with existing branches. No significant weight was placed on these services, as no data was available to determine the impact on, or usage by, LMI individuals.

Distribution of Branch Openings/Closings						
			Net change in Location of Branches (+ or -) by Income of Geographies			
Assessment Area	# of Branch Openings	# of Branch Closings	Low	Moderate	Middle	Upper
Full Scope						
Oklahoma City MSA		1				
Tulsa MSA						
Limited Scope						
Oklahoma Non-MSA		3			-2	-1

To the extent changes have been made, the bank’s opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in LMI geographies and/or to LMI individuals. During the evaluation period, there was one branch closed in the Oklahoma City MSA for which there was no Census income designation. The bank closed three branches in middle- or upper-income geographies in the Oklahoma non-MSA area. No branches were opened or closed in the Tulsa MSA during the evaluation period.

Services, including where appropriate, business hours, do not vary in a way that inconveniences its AA, particularly LMI geographies and individuals. All branches operate during similar banking hours.

Community Development Services

The bank provides a relatively high level of CD services.

Oklahoma City MSA

CD services were effective and responsive in helping the bank address community needs. The bank conducted or supported a good level of CD services, consistent with its capacity and expertise to conduct specific activities. More than 50 employees provided their expertise to 45 CD organizations totaling 2,064 hours during the evaluation period. Activities included board and committee services, financial education and technical assistance. Included in these services are 304 hours where bank employees served in leadership roles.

Example of these services:

- MFB supported three CD organizations in receiving funding from the Federal Home Loan Bank (FHLB) of Topeka. MFB sponsored applications for FHLB Affordable Housing Program (AHP) grants for two organizations and one organization was awarded \$1 million for home repair projects targeted to 100 low- or moderate-income senior homeowners. MFB personnel provided over 40 hours of evaluation and preparation for compliance with the grant application. Furthermore, another organization was granted an AHP grant of \$660 thousand for home repairs which resulted in 114 homeowners receiving funds for rehabilitation grant proceeds. MFB personnel provided over 100 hours during November 2017 thru December 2019 for servicing the grant program and ensuring proper compliance to the AHP program.
- MFB had a leadership role in developing and supporting financial education for LMI individuals. MFB launched their proprietary MoneyMoments® Financial Education Program in 2017 at the University of Oklahoma. The program is focused on college student financial counseling. The program provides information and coaching to students and their parents on the financial impact of attaining a college degree. In delivering the program, MFB targets LMI student populations as discussed below.
- MFB staff provided financial education “train-the-trainer” workshops to staff at the University of Central Oklahoma in the AA, as part of the TRIO Student Support Success program, a federally funded grant program that serves and assists low-income students, first-generation college students, and students with disabilities at the undergraduate level. MFB also sponsored a financial education symposium at the University of Central Oklahoma for programs that primarily serve LMI college students and students at high-poverty middle and high schools in the AA.
- MFB has an Individual Development Account (IDA) matched-savings program that serves LMI residents of Oklahoma and Canadian Counties in the MSA. MFB complemented the program with employees providing four hours of free financial education during four separate sessions for the IDA participants to encourage a successful savings program. During the review period, MFB opened 59 IDA matched savings accounts and provided account maintenance services at no cost to the customer.

Tulsa MSA

CD services were effective and responsive in helping the bank address community needs. The bank conducted or supported a good level of CD services, consistent with its capacity and expertise to conduct specific activities. Eleven employees provided their expertise to eight CD organizations totaling 1,172 hours during the evaluation period. Activities included board services, financial education and technical assistance. For example, MFB partnered with a Habitat for Humanity affiliate in the AA to be the certified financial education resource for an FHLB AHP grant awarded in 2018. MFB provided 14 workshops for over 80 hours of education during the evaluation period.

Conclusions for Area Receiving a Limited-Scope Review

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

State Rating

State of Texas

CRA rating for the State of Texas⁵: Satisfactory

The Lending Test is rated: High Satisfactory

The Investment Test is rated: Low Satisfactory

The Service Test is rated: Needs to Improve

The major factors that support this rating include:

- Lending levels reflect excellent responsiveness to AA credit needs;
- The bank exhibits excellent geographic distribution of loans in its AAs;
- The bank exhibits poor distribution of loans among individuals of different income levels and businesses of different sizes, given the product lines offered by the bank;
- The institution exhibits adequate responsiveness to credit and community economic development needs;
- Service delivery systems are unreasonably inaccessible to portions of its AAs, particularly to LMI geographies or to LMI individuals.
- The bank provides a low level of CD services.

Description of Institution's Operations in Texas

MFB has one AA within the state of Texas. The AA consists of Dallas County, which is located in the Dallas Plano Irving MSA.

Based on FDIC Deposit Market Share data as of June 30, 2019, MFB had a 0.01 percent market share in the Dallas County portion of the Dallas Plano Irving MSA and is ranked 95th of 110 financial banks in the County. The AA deposits accounted for only 0.14 percent of the total bank deposits. Primary competitors in the area include Bank of America which ranked first (35.8 percent) with 63 offices, JPMorgan Chase Bank which ranked second (23.9 percent) with 90 offices, and Texas Capital Bank (9.0 percent) with 5 offices. These three top competitors account for a combined 68.3 percent of the total deposit market share in the area.

MFB provides a full range of loan and deposit products and services. The bank entered the market in 2018 and operates one full-service branch in the AA. The branch is located in an upper-income CT. The bank also operates one deposit taking ATM in the AA. The deposit

⁵ This rating reflects performance within the state. The statewide evaluations do not reflect performance in the parts of those states contained within the multistate metropolitan statistical area.

taking ATM is located in an upper-income CT. The single branch in this AA represents 1.3 percent of the bank’s total branch network.

Dallas Plano Irving MSA

Table A – Demographic Information of the Assessment Area						
Assessment Area: Dallas Plano Irving MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	529	20.2	35.3	20.8	22.7	0.9
Population by Geography	2,485,003	19.0	37.9	22.4	20.5	0.2
Housing Units by Geography	964,713	19.5	34.0	22.9	23.3	0.2
Owner-Occupied Units by Geography	451,480	10.0	33.4	25.6	30.8	0.2
Occupied Rental Units by Geography	429,799	27.5	35.0	21.0	16.1	0.3
Vacant Units by Geography	83,434	30.1	32.0	17.7	19.9	0.3
Businesses by Geography	257,060	10.6	26.3	26.0	35.8	1.3
Farms by Geography	3,530	10.1	28.3	24.4	36.1	1.2
Family Distribution by Income Level	576,726	31.5	18.9	17.4	32.2	0.0
Household Distribution by Income Level	881,279	29.5	18.8	17.9	33.8	0.0
Median Family Income MSA - 19124 Dallas-Plano-Irving, TX	\$83,100		Median Housing Value			\$171,738
			Median Gross Rent			\$952
			Families Below Poverty Level			15.9%
<i>Source: 2015 ACS and 2019 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>						

The Dallas Plano Irving MSA AA includes all of Dallas County. The AA meets the requirements of the regulation and does not arbitrarily exclude LMI geographies. According to 2010 U.S. Census data, the AA consists of 529 CTs, of which 107 are low-income, 187 are moderate-income, 110 are middle-income, 120 are upper-income, and 5 have not been assigned income classification.

The bank made 8.2 percent of its loan originations and purchases in the AA compared to total bank loans during the evaluation period.

The top mortgage lender in the Dallas Plano Irving MSA is Wells Fargo Bank with 7.3 percent market share followed by JPMorgan Chase with 6.4 percent market share and AmeriHome Mortgage Company with 3.6 percent market share. MFB is ranked 17th with 1.0 percent market share.

In small loans to businesses, the bank is ranked 106th among 197 lenders with 0.01 percent market share. The top three small business lenders were American Express National Bank

with 20.8 percent market share, Chase Bank USA with 18.9 percent market share, and Bank of America with 9.9 percent market share.

Several of the major employers in the AA are Wal-Mart Stores, American Airlines, the Dallas ISD, hospitals including Texas Health Resources and Baylor Scott & White, Bank of America, and Lockheed Martin Aeronautics. Other employers include businesses supporting the large hospitals, education including public universities in the AA, manufacturing, and many retail businesses.

Housing is a challenge in the Dallas Plano Irving MSA. As job creation was strong in the area throughout the evaluation period and the inventory of market-rate housing was tight, home prices steadily increased over the period. Single-family housing construction in North Texas lagged the demand throughout the evaluation period. Population growth and aging housing stock were factors contributing to the increase in housing costs over the evaluation period. High land costs and increasing materials costs have also contributed to the challenges in providing affordable housing in the area. Housing affordability is a challenge with the FFIEC estimating median family income in the area at \$83,100 in 2019 and the median housing value at \$171,738. The housing value would require a mortgage payment of \$1,801 based on a 30-year mortgage with a five percent interest rate. Based on this data and not accounting for a down payment, homeowners insurance, real estate taxes or any additional monthly expenses, a low-income borrower making \$41,550 per year (or less than 50 percent of the 2019 FFIEC adjusted median family income in the AA) could afford a mortgage payment of \$1,039 per month. A moderate-income borrower making \$66,480 (or less than 80 percent of the 2019 FFEIC adjusted median family income in the AA) could afford a mortgage payment of \$1,662 per month. This illustrates that low- and moderate-income borrowers would be challenged to qualify for a mortgage loan in the AA.

The OCC consulted three community contacts performed in the AA, all non-profit organizations, they included a food bank, a housing services organization, and an organization dedicated to revitalizing communities in South Dallas. The contacts reported the following needs in the AA.

- Affordable housing and acquisition/rehabilitation of aged housing for LMI
- Small business loans, including micro lending
- Small consumer loans

Scope of Evaluation in Texas

The Dallas Plano Irving MSA AA received a full-scope review. The AA represents all of the bank's deposits, branches, and lending in the rating area.

Refer to the Scope of Evaluation Table in Appendix A for AA delineations.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN TEXAS

LENDING TEST

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

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the Dallas Plano Irving MSA is good.

Lending Activity

Lending levels reflect excellent responsiveness to AA credit needs.

Number of Loans							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	% State Loans	% State Deposits
Dalla Plano Irving MSA	1,081	16	0	0	1,097	100.0	100.0

Dollar Volume of Loans (000s)							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	% State Loans	% State Deposits
Dallas Plano Irving MSA	123,976	6,510	0	0	130,486	100.0	100.0

According to the FDIC Deposit Market Share data as of June 30, 2019, the bank ranked 95th among 110 deposit banks with a market share of less than 0.1 percent, placing in the 96th percentile of deposits.

Based on 2019 Peer Mortgage Data, MFB ranked 17th out of 756 mortgage lenders with a market share of 1.0 percent, placing in the top second percentile of all mortgage lenders in the AA. The bank's market share exceeds the deposit market share. The top five lending competitors, consisting of national banks and a mortgage lender, have a combined market share of 24.1 percent. The bank's market share ranking for home mortgage lending, relative to the number of mortgage lenders in the AA, is significantly higher than its deposit market share, relative to the number of depository banks in the AA.

According to the 2018 Peer Small Business data, the bank ranked 106th out of 197 small business lenders with 0.1 percent market share, placing it in the 54th percentile of small business lenders in the AA. The bank's market share is weaker than the deposit market. The top five lending competitors, consisting of national banks, have a combined market share of 62.6 percent and three of the five competitors are large issuers of small business credit cards with average loan sizes of \$8 to \$17 thousand. The bank's market share ranking for small business lending, relative to the number of small business lenders in the AA, is significantly higher than its deposit market share, relative to the number of depository banks.

Distribution of Loans by Income Level of the Geography

The bank exhibits an excellent geographic distribution of loans in its AA.

Home Mortgage Loans

Refer to Table O in the state of Texas section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The geographic distribution of loans in the bank's AA reflects excellent dispersion LMI CTs. The bank's distribution of loans in LMI geographies exceeds the proportion of owner-occupied housing and the aggregate distribution of loans.

Small Loans to Businesses

Refer to Table Q in the state of Texas 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.

Due to the bank's limited presence and time in the Dallas-Plano-Irving MSA, the bank did not originate or purchase a sufficient volume of small business loans during the evaluation period to perform a meaningful analysis.

Lending Gap Analysis

The OCC evaluated the lending distribution in the AA to determine if any unexplained, conspicuous gaps existed. We reviewed summary reports, maps, and analyzed MFB's home mortgage and small business lending activity over the evaluation period to identify any gaps in the geographic distribution of loans. We did not identify any unexplained conspicuous gaps.

Distribution of Loans by Income Level of the Borrower

The bank exhibits a poor distribution of loans among individuals of different income levels and business of different sizes, given the product lines offered by the bank.

Home Mortgage Loans

Refer to Table P in the state of Texas section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The distribution of the bank's home mortgage loan lending was poor, when considering performance context. The proportion of loans to LMI borrowers was significantly below the percentage of LMI families and the aggregate.

Over 98 percent of the bank's home mortgage lending consisted of loans with no available income information. The group of loans consisted of seven loan originations with combined

business/commercial and investment property characteristics and 1,056 purchased loans. Of the seven loan originations, one loan was to a low-income borrower.

As previously mentioned in the Description of Operations section, the high cost of housing significantly impacted the bank's ability to make mortgage loans to LMI borrowers. Based upon an analysis of housing affordability, the payment (\$1,801) requires a 30-year mortgage used to purchase an average home in the AA is significantly larger than the monthly income of LMI borrowers, based upon the FFIEC AMFI.

Additionally, as part of the Bank's loan servicing activity, MFB offered its residential mortgage loan servicing customers the opportunity to apply and be evaluated for a loss mitigation plan. During the evaluation period, 32 loans to LMI borrowers were part of loss mitigation plans.

Furthermore, as previously stated, the bank entered the market in January 2018 and has one branch in a market of 197 small loans to business lenders.

Small Loans to Businesses

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

Due to the bank's limited presence and time in the Dallas-Plano-Irving MSA, the bank did not originate or purchase a sufficient volume of small business loans during the evaluation period to perform a meaningful analysis.

Community Development Lending

The bank has made few if any CD loans.

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the bank's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

The bank did not make any CD Loans inside the AA during the evaluation period, which had a neutral impact on lending performance in the AA. We considered the lending opportunities with direct benefit within the AA, state, and region and the bank's capacity to address these needs.

Product Innovation and Flexibility

The bank makes limited use of innovative and/or flexible lending practices in order to serve AA credit needs. During the evaluation period, MFB offered a number of home mortgage products with flexible underwriting terms to assist borrowers in obtaining a home loan and Home Free and Home Free for Education programs which were targeted to either LMI borrowers or LMI CTs by providing a lender credit up to \$2 thousand toward the borrower's closing costs. During the evaluation period, originations included one flexible loan and three flexible product FHA loans to LMI borrowers with one loan located in an LMI CT.

INVESTMENT TEST

The bank’s performance under the Investment Test in Texas is rated Low Satisfactory.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank’s performance in the Dallas Plano Irving MSA is adequate.

The bank has an adequate level of qualified CD investments and grants, although rarely in a leadership position, particularly those that are not routinely provided by private investors.

The bank exhibits an adequate responsiveness to credit and community economic development needs. The bank occasionally uses innovative and/or complex investments to support CD initiatives.

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Full-Scope										
Dallas Plano Irving MSA	0	0	1	327	1	100.0	327	100.0	-	-

* 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 bank's financial reporting system.

Performance in the AA is adequate. Qualified investments totaled \$327 thousand, all of which are current period investments. Total investments represent 13.4 percent of allocated tier 1 capital. The investment was a mortgage back securities pool that benefits LMI borrowers and geographies. Investments were especially responsive to AA needs. A local community contact identified the high land cost and increasing prices for building materials as a problem for obtaining affordable housing for LMI people.

SERVICE TEST

The bank’s performance under the Service Test in Dallas Plano Irving MSA is rated Needs to Improve.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank’s performance in the Dallas Plano Irving MSA is poor.

Retail Banking Services

Delivery systems are unreasonably inaccessible to portions of its AAs particularly to LMI geographies and/or LMI individuals.

Distribution of Branch Delivery System											
Assessment Area	Deposits	Branches						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				% of Population within Each Geography			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Dallas Plano Irving MSA	100	1	100	0.0	0.0	0.0	100.0	19.0	37.9	22.4	20.5

The bank has one branch in the AA, in an upper-income geography. There are no branches in LMI geographies. The bank complements its traditional service delivery methods in the AA with certain alternative retail delivery systems, such as deposit-taking ATMs, direct deposit, telephone banking, mobile banking, and online banking. MFB has one deposit-taking ATM in the AA which is associated with the branch location. No significant weight was placed on these services, as no data was available to determine the impact on, or usage by, LMI individuals.

Distribution of Branch Openings/Closings						
			Net change in Location of Branches (+ or -) by Income of Geographies			
Assessment Area	# of Branch Openings	# of Branch Closings	Low	Moderate	Middle	Upper
Dallas Plano Irving MSA	1					+1

To the extent changes have been made, the bank’s opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in LMI geographies and/or to LMI individuals. There was one branch opened in an upper income geography; Dallas-Plano-Irving MSA during the evaluation period. No branches were closed in the AA during the evaluation period.

Services, including where appropriate, business hours, do not vary in a way that inconveniences its AA, particularly LMI geographies and individuals.

Community Development Services

The bank provides a low level of CD services.

CD services were effective and responsive in helping the bank address community needs in the AA. The bank conducted or supported a good number of CD services, consistent with its capacity and expertise to conduct specific activities. Two MFB employees provided 120 hours of service to two organizations in the AA. Both CD service activities were in a leadership role, serving on the boards of organizations that provide services to LMI youth. For example, one MFB employee serves on the board of an organization that provides college scholarships for LMI youth.

Appendix A: Scope of Examination

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

Time Period Reviewed:	01/01/2017 to 12/31/2019	
Bank Products Reviewed:	Home mortgage, small business, CD loans, qualified investments, and CD services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
N/A	N/A	N/A
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
State of Arizona		
Phoenix-Mesa-Chandler MSA	Full-Scope	Maricopa County
State of California		
Los Angeles-Long Beach-Glendale MSA	Full-Scope	Los Angeles County
State of Colorado		
Denver-Aurora-Lakewood MSA	Full-Scope	Counties of Arapahoe and Denver
Boulder MSA	Full-Scope	Boulder County**
Non-MSA	Limited-Scope	Eagle County**
State of Oklahoma		
Oklahoma City MSA	Full-Scope	Counties of Canadian, Cleveland, Grady, and Oklahoma
Tulsa MSA	Full-Scope	Tulsa County
Non-MSA	Limited-Scope	Counties of Caddo, Custer, Jackson, Payne, Pottawatomie, Texas***, Washita***, and Woodward
State of Texas		
Dallas-Plano-Irving MSA	Full-Scope	Dallas County****
* Entered AA in October 2018 ** Entered AA in April 2019 *** Exited County in February 2019 **** Entered AA in January 2018		

Appendix B: Summary of MMSA and State Ratings

RATINGS MIDFIRST BANK				
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State Rating
MidFirst Bank	Outstanding	High Satisfactory	Low Satisfactory	Satisfactory
State:				
State of Arizona	High Satisfactory	High Satisfactory	Low Satisfactory	Satisfactory
State of California	High Satisfactory	High Satisfactory	High Satisfactory	Satisfactory
State of Colorado	Outstanding	High Satisfactory	Low Satisfactory	Satisfactory
State of Oklahoma	Outstanding	High Satisfactory	High Satisfactory	Satisfactory
State of Texas	High Satisfactory	Low Satisfactory	Needs to Improve	Satisfactory
(*) The Lending Test is weighted more heavily than the Investment and Service Tests 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 §1003.2 of this title, and that is not an excluded transaction under §1003.3(c)(1) through (10) and (13) of this title.

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 bank 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 Banks 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.

MMSA (state): Any multistate metropolitan statistical area or multistate combined statistical area, as defined by the Office of Management and Budget.

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 a bank with domestic branches in only one state, the bank's CRA rating would be the state rating. If a bank maintains domestic branches in more than one state, the bank will receive a rating for each state in which those branches are located. If a bank maintains domestic branches in two or more states within a multi-state metropolitan statistical area, the bank 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 loans are treated the same 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 O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.

Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.

Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.

Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.

State of Arizona

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography **2017-2019**

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Phoenix Mesa Chandler MSA	2,959	726,811	100	255,198	4.6	2.8	3.6	18.8	11.8	14.7	34.7	27.9	34.9	41.9	57.2	46.3	0.0	0.3	0.6
Total	2,959	726,811	100	255,198	4.6	2.8	3.6	18.8	11.8	14.7	34.7	27.9	34.9	41.9	57.2	46.3	0.0	0.3	0.6

Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2019 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower **2017-2019**

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Phoenix Mesa Chandler MSA	2,959	726,811	100	255,198	21.8	1.1	4.7	16.9	4.8	15.2	19.2	9.4	20.3	42.2	51.5	40.0	0.0	33.1	19.7
Total	2,959	726,811	100	255,198	21.8	1.1	4.7	16.9	4.8	15.2	19.2	9.4	20.3	42.2	51.5	40.0	0.0	33.1	19.7

Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2019 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2017-2019	
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	
Phoenix Mesa Chandler MSA	2,091	390,057	100	104,551	6.2	7.9	6.9	15.9	17.6	16.5	28.4	23.8	26.8	48.9	49.0	49.3	0.5	1.7	0.6	
Total	2,091	390,057	100	104,551	6.2	7.9	6.9	15.9	17.6	16.5	28.4	23.8	26.8	48.9	49.0	49.3	0.5	1.7	0.6	

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues												2017-2019	
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		
Phoenix Mesa Chandler MSA	2,091	390,057	100	104,551	89.7	52.1	46.2	3.5	42.2	6.9	5.6		
Total	2,091	390,057	100	104,551	89.7	52.1	46.2	3.5	42.2	6.9	5.6		

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0

State of California

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Los Angeles Long Beach Glendale MSA	424	502,195	100	99,790	4.7	13.0	5.1	19.7	18.4	20.5	22.8	10.4	22.1	52.5	58.0	52.0	0.2	0.2	0.3
Total	424	502,195	100	99,790	4.7	13.0	5.1	19.7	18.4	20.5	22.8	10.4	22.1	52.5	58.0	52.0	0.2	0.2	0.3

*Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2019 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0*

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Los Angeles Long Beach Glendale MSA	424	502,195	100	99,790	28.9	0.5	1.9	16.6	0.2	3.9	15.8	0.0	11.2	38.7	29.2	65.2	0.0	70.5	17.8
Total	424	502,195	100	99,790	28.9	0.0	1.9	16.6	0.2	3.9	15.8	0.0	11.2	38.7	29.2	65.2	0.0	70.5	17.8

*Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2019 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0*

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
Los Angeles Long Beach Glendale MSA	515	195,895	100	161,594	7.3	3.5	6.6	18.4	10.1	18.5	16.8	10.3	17.2	54.2	72.2	55.3	3.4	3.9	2.5
Total	515	195,895	100	161,594	7.3	3.5	6.6	18.4	10.1	18.5	16.8	10.3	17.2	54.2	72.2	55.3	3.4	3.9	2.5

*Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0*

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
Los Angeles Long Beach Glendale MSA	515	195,895	100	161,594	90.3	44.7	46.5	4.3	40.4	5.3	15.0
Total	515	195,895	100	161,594	90.3	44.7	46.5	4.3	40.4	5.3	15.0

*Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0*

State of Colorado

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Denver Aurora Lakewood MSA	412	224,319	92.2	43,049	12.0	11.7	12.6	22.1	15.0	24.3	28.1	22.6	27.8	37.8	50.7	35.3	0.0	0.0	0.1
Boulder MSA	14	4,925	3.1	17,131	3.0	6.7	3.6	18.0	26.7	17.8	45.6	33.3	47.3	33.3	33.3	31.3	0.0	0.0	0.0
Colorado Non-MSA	21	9,948	4.7	3,335	0.0	0.0	0.0	0.0	0.0	0.0	19.7	21.4	21.6	80.3	78.6	78.4	0.0	0.0	0.0
Total	447	239,192	100.0	63,515	5.7	4.8	4.9	21.7	18.9	17.7	31.5	30.6	31.8	41.0	45.5	45.2	0.1	0.2	0.4

*Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2019 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0*

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Denver Aurora Lakewood MSA	412	224,319	92.2	43,049	29.4	0.5	6.2	17.6	1.9	17.9	17.3	3.6	19.3	35.7	52.2	41.6	0.0	41.7	15.1
Boulder MSA	14	4,925	3.1	17,131	22.3	0.0	7.9	17.0	3.3	17.6	19.9	0.0	22.4	40.8	50.0	41.0	0.0	46.7	11.2
Colorado Non-MSA	21	9,948	4.7	3,335	10.0	0.0	1.0	14.4	0.0	3.2	18.6	0.0	12.6	57.0	64.3	67.3	0.0	35.7	15.9
Total	447	239,192	100.0	63,515	25.8	1.8	4.8	17.3	5.3	13.9	18.0	7.8	18.2	39.0	36.8	44.4	0.0	48.3	18.7

*Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2019 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0*

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography **2017-2019**

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
Denver Aurora Lakewood MSA	483	136,382	95.6	24,669	11.1	11.4	12.9	17.6	20.5	19.0	27.0	27.1	25.3	43.4	40.8	41.5	0.9	0.2	1.2
Boulder MSA	13	4,890	2.6	11,898	3.7	0.0	3.7	28.2	32.6	30.1	38.4	27.9	38.3	29.7	39.5	27.9	0.0	0.0	0.0
Colorado Non-MSA	9	3,438	1.8	2,332	0.0	0.0	0.0	0.0	0.0	0.0	18.7	30.8	20.4	81.3	69.2	79.6	0.0	0.0	0.0
Total	505	144,710	100	38,899	7.3	6.4	7.4	19.7	17.9	19.9	25.7	26.4	23.6	45.6	47.1	47.6	1.7	2.1	1.6

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues **2017-2019**

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
Denver Aurora Lakewood MSA	483	136,382	96.2	24,669	88.6	49.1	46.3	4.4	40.6	7.0	10.4
Boulder MSA	13	4,890	2.0	11,898	91.1	32.6	47.2	3.2	62.8	5.6	4.7
Colorado Non-MSA	9	3,438	1.8	2,332	86.0	38.5	49.3	6.0	46.2	8.0	15.4
Total	505	144,710	100.0	404,248	88.6	53.1	45.1	4.3	39.0	7.0	7.9

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0

State of Oklahoma

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Oklahoma City MSA	2,757	463,908	73.6	43,058	3.7	2.4	2.1	18.9	15.7	13.7	41.9	36.0	38.2	35.5	45.8	45.9	0.1	0.2	0.1
Tulsa MSA	579	117,425	15.4	19,647	4.5	3.5	1.2	20.5	16.2	14.4	32.9	30.6	34.0	42.1	49.7	50.3	0.0	0.0	0.0
Oklahoma Non-MSA	412	34,303	11.0	5,073	0.8	0.3	0.9	14.4	12.8	16.3	47.1	35.0	38.9	37.7	51.9	43.9	0.0	0.0	0.0
Total	3,748	615,636	100	67,778	5.7	4.8	4.9	21.7	18.9	17.7	31.5	30.6	31.8	41.0	45.5	45.2	0.1	0.2	0.4

*Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2019 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0*

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Oklahoma City MSA	2,757	463,908	73.6	43,058	21.5	3.7	6.3	17.3	8.9	17.3	20.5	11.4	18.8	40.8	35.7	33.4	0.0	40.4	24.1
Tulsa MSA	579	117,425	15.4	19,647	22.0	0.7	6.6	16.9	4.3	17.2	19.6	6.2	19.3	41.4	42.5	38.0	0.0	46.3	18.8
Oklahoma Non-MSA	412	34,303	11.0	5,073	20.1	5.0	3.2	16.9	14.9	11.0	19.5	16.0	17.3	43.4	37.9	44.7	0.0	26.2	23.7
Total	3,748	615,636	100	67,778	25.8	1.8	4.8	17.3	5.3	13.9	18.0	7.8	18.2	39.0	36.8	44.4	0.0	48.3	18.7

*Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2019 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0*

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography **2017-2019**

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
Oklahoma City MSA	1,326	272,605	78.9	20,300	4.4	4.4	5.0	21.8	20.6	20.3	35.5	33.9	34.9	35.2	37.9	37.3	3.1	3.2	2.6
Tulsa MSA	281	68,139	16.7	12,290	3.9	4.6	3.5	21.6	17.4	21.3	34.0	35.2	33.7	40.5	42.7	41.4	0.0	0.0	0.0
Oklahoma Non-MSA	73	7,810	4.4	3,138	6.1	3.1	5.0	20.6	10.8	17.8	38.8	46.2	39.8	34.5	40.0	37.3	0.0	0.0	0.0
Total	1,680	348,554	100	35,728	7.3	6.4	7.4	19.7	17.9	19.9	25.7	26.4	23.6	45.6	47.1	47.6	1.7	2.1	1.6

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues **2017-2019**

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
Oklahoma City MSA	1,326	272,605	78.9	20,300	86.9	59.5	46.1	4.3	33.5	8.8	7.0
Tulsa MSA	281	68,139	16.8	12,290	86.1	55.5	41.2	5.2	34.9	8.7	9.6
Oklahoma Non-MSA	73	7,810	4.3	3,138	80.6	63.1	45.2	4.9	21.5	14.5	15.4
Total	1,680	348,554	100	35,728	88.6	53.1	45.1	4.3	39.0	7.0	7.9

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0

State of Texas

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2017-2019	
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	
Dallas Plano Irving MSA	1,081	123,976	100	61,170	10.0	11.4	8.9	33.4	44.7	26.5	25.6	33.1	27.7	30.8	10.8	36.5	0.2	0.0	0.5	
Total	1,081	123,976	100	61,170	10.0	11.4	8.9	33.4	44.7	26.5	25.6	33.1	27.7	30.8	10.8	36.5	0.2	0.0	0.5	

Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2019 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2017-2019	
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers			
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	
Dallas Plano Irving MSA	1,081	123,976	100	61,170	31.5	0.1	6.8	18.9	0.0	18.4	17.4	0.0	18.3	32.2	1.4	40.0	0.0	98.5	16.5	
Total	1,081	123,976	100	61,170	31.5	0.1	6.8	18.9	0.0	18.4	17.4	0.0	18.3	32.2	1.4	40.0	0.0	98.5	16.5	

Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2019 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2017-2019	
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	
Dallas Plano Irving MSA	16	6,510	100	63,476	10.6	0.0	10.5	26.3	31.6	27.7	26.0	10.5	24.8	35.8	57.9	35.2	1.3	0.0	1.8	
Total	16	6,510	100	63,476	10.6	0.0	10.5	26.3	31.6	27.7	26.0	10.5	24.8	35.8	57.9	35.2	1.3	0.0	1.8	

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues												2017-2019	
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		
Dallas Plano Irving MSA	16	6,510	100	63,476	85.7	36.8	39.2	5.5	47.4	8.8	15.8		
Total	16	6,510	100	63,476	85.7	36.8	39.2	5.5	47.4	8.8	15.8		

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0