



PUBLIC DISCLOSURE

April 6, 2020

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First FSB of Lincolnton
Charter Number 705153

320 E Main St
Lincolnton, NC 28092-3398

Office of the Comptroller of the Currency

212 South Tryon St. Suite 700 Charlotte, NC 28281

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

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Overall CRA Rating

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

The lending test is rated: Satisfactory.

The community development test is rated: Satisfactory.

The major factors that support this rating include:

- The Lending Test rating is based on the bank's performance in the State of North Carolina.
- The bank's quarterly average loan-to-deposit (LTD) ratio is more than reasonable based on the bank's size, financial condition, and credit needs of the assessment area (AA).
- A majority of the bank's home mortgage loans are inside its AA.
- The bank exhibits an excellent geographic distribution of loans in the AA.
- The bank's distribution of loans represents a reasonable distribution among borrowers of different income levels in the AA.
- There are no consumer complaints regarding the bank's CRA performance.
- The Community Development (CD) Test rating is based on the bank's CD activities, including lending and services, in the State of North Carolina.
- The bank's CD performance demonstrates adequate responsiveness to the CD needs of the AA.

Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AA, the bank's loan-to-deposit (LTD) ratio is more than reasonable.

We assessed the bank's quarterly LTD ratios since the preceding CRA evaluation. The bank's quarterly LTD during the past 12 quarters from March 31, 2017 through December 31, 2019 was 98.42 percent, ranging from a quarterly low of 90.42 percent and a quarterly high of 112.35 percent. In comparison, over the same 12 quarters, the quarterly average LTD ratio among similarly sized financial institutions in the Charlotte-Concord-Gastonia MSA was 97.90 percent, ranging from a quarterly low of 95.23 percent and a quarterly high of 99.30 percent.

Lending in Assessment Area

A majority of the bank's home mortgage loans are inside its AA. The bank originated 372 home mortgage loans representing 59.6 percent of its total loans inside the bank's AA during the evaluation period. This analysis is performed at the bank, rather than the AA level.

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	172	59.5	117	40.5	289	31,608	54.7	26,188	45.3	57,796
2018	132	54.5	110	45.5	242	26,657	49.1	27,601	50.9	54,258
2019	68	73.1	25	26.9	93	10,271	68.5	4,729	31.5	14,999
Subtotal	372	59.6	252	40.4	624	68,536	53.9	58,518	46.1	127,054
<i>Source: Evaluation Period: 1/1/2017 - 12/31/2019 Bank Data Due to rounding, totals may not equal 100.0</i>										

Description of Institution

First Federal Savings Bank of Lincolnton (First Federal) is a federally chartered, mutual savings association headquartered in Lincolnton, North Carolina. First Federal has four branches, with the main office located in Lincolnton, North Carolina and three additional branches located in Vale, Denver, and Boger City, North Carolina.

As of December 31, 2019, First Federal's assets totaled \$382 million and Tier One Capital totaled 16.72 percent. The bank's loan portfolio totals \$319 million, representing 82 percent of the bank's total assets. The loan portfolio consists of 88 percent in home mortgages (\$281 million), 11 percent in consumer loans (\$36 million), and less than one percent in commercial loans (\$2 million). Home mortgages represent the majority of the bank's assets at 72 percent of total assets.

The bank offers a variety of products and services including deposit accounts, savings accounts, consumer and commercial loans, mobile banking, and wire transfers. Home mortgage loans are the bank's primary loan product, which aligns with the bank's traditional savings association operating strategy.

The bank's AA is Lincoln County, which is a part of the Charlotte-Concord-Gastonia, North Carolina-South Carolina Metropolitan Statistical Area (MSA). Lincoln County consists of eighteen census tracts and there are no low-income tracts.

There are no legal or financial factors impeding the bank's ability to meet the needs of the AA. First Federal's rating at the preceding Community Reinvestment Act examination dated March 20, 2017 was "Satisfactory".

Scope of the Evaluation

Evaluation Period/Products Evaluated

We evaluated First Federal's CRA performance using Intermediate Small Bank Community Reinvestment Act (CRA) procedures which included a lending test and a community development test. Based on our analysis of the bank's lending activity, we determined that home mortgage loans represent the bank's primary loan product.

The evaluation period for home mortgage loans that the bank reported under the Home Mortgage Disclosure Act (HMDA) is from January 1, 2017 through December 31, 2019. The evaluation period for the Community Development Test is from January 1, 2017 through April 6, 2020.

Selection of Areas for Full-Scope Review

First Federal's AA consists of Lincoln County, North Carolina. We performed a full-scope review of the AA from 2017-2019.

Please refer to Appendix A, Scope of Examination, for a list of full-scope AAs.

Ratings

The bank's overall rating is a blend of the state ratings, and where applicable, multistate ratings. The bank has only one rating area, the State of North Carolina.

Refer to the "Scope" section under the State Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 CFR 25.28(c) or 195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Bureau of Consumer Financial Protection, as applicable.

The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

State Rating

State of North Carolina

CRA rating for the State of North Carolina: Satisfactory

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Satisfactory

The major factors that support this rating include:

- A majority of the bank's loans were made inside the AA.
- The bank's quarterly average loan-to-deposit ratio is more than reasonable based on the bank's size, financial condition, and credit needs of the AA.
- The bank exhibits an excellent geographic distribution of loans in the AA.
- The bank exhibits a reasonable distribution of loans to individuals of different income levels, given the product lines offered by the bank.
- The bank demonstrates adequate responsiveness to the CD needs in the AA.

Description of Institution's Operations in Lincoln County, North Carolina

First Federal's primary business focus is to make home mortgage loans to residents in its AA utilizing its four branch locations. According to the 2015 American Community Survey (ACS) Census, Lincoln County is comprised of eighteen census tracts, of which, there are no low-income census tracts, there are six moderate-income tracts, seven middle-income tracts, and five upper-income tracts. None of the census tracts in Lincoln County were excluded by the bank from its AA. The majority of the population in Lincoln County is located in moderate- and middle-income census tract geographies, representing 37.8 percent and 36.7 percent, respectively. The median housing value and median family income for the AA are \$172,811 and \$64,187, respectively. The 2015 ACS Census data reports 10.9 percent of families residing within the AA have income below the poverty level.

According to the Federal Deposit Insurance Corporation's (FDIC) Deposit Market Share Report, as of June 30, 2019, there were ten financial institutions operating from 22 branch locations in Lincoln County with total deposits of \$1.262 billion. First Federal held the largest share of deposits in the market at \$327 million or 26 percent of total deposits. The two closest competitors were Carolina Trust Bank and Fifth Third Bank at 16 percent and 14 percent, respectively. First Federal percentage of market share has remained the same since June 30, 2016.

According to the U.S. Bureau of Labor Statistics, the annual unemployment rate in Lincoln County as of December 2019 was 3.1 percent compared to 3.7 percent for the state of North Carolina. Residential development is increasing in the county, primarily in the eastern half near Lake Norman. According to the North Carolina Department of Commerce, the top five employers in Lincoln County as of December 31, 2019, were Lincoln County Schools, County of Lincoln, Amec Foster Wheeler Kamtech Inc., RSI Home Products, and Atrium Health.

As part of our evaluation, we interviewed five local community organizations to gain insight regarding the economic and housing needs in the bank's AA. Our first contact provides services to promote growth and create new jobs and businesses. The contact expressed a need for financial literacy programs and other programs that teach low- and moderate-income residents how to invest money. Additionally, the contact expressed that there are opportunities for the banks to provide more information to customers about government aid and other lending programs for low- and moderate-income individuals.

Our second and third contacts ensure community development and meaningful impact within the community with programs and events for residents. The second contact expressed that the population of low- to moderate-income individuals continues to be the main need for outreach programs. Many schools within the city have a high rate of free and reduced lunch for its students, representing the need for food and basic needs assistance within the community. The third contact expressed that the City of Lincolnton holds many events throughout the year where banks can volunteer their time and money to ensure the residents and visitors of Lincolnton get exceptional experiences. Additionally, the local schools need sponsors and volunteers for different events throughout the year.

Our fourth contact oversees the city's development and public works. The contact expressed that there continues to be plenty of opportunities for participation in the local community by local financial institutions. The population of low- to moderate-income individuals continues to be the main need for outreach programs. The demographic characteristics of the city have remained relatively stable, having a mix of both low- to moderate-income individuals and moderate- to high-income individuals. The general banking and credit needs of the community are being met by local banks and governments.

Our fifth contact is an executive officer with a local church in the community. The contact expressed that the primary opportunity would be outreach and educational programs focused on teaching personal finance to low-income individuals. Banking could help promote teaching personal finances to low- and moderate-income individuals on how to spend money appropriately. The individual also expressed that the county needs to increase the financial literacy of individuals living below the poverty line.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Lincoln County						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	18	0.0	33.3	38.9	27.8	0.0
Population by Geography	79,578	0.0	36.7	37.8	25.5	0.0
Housing Units by Geography	33,864	0.0	36.3	37.7	26.0	0.0
Owner-Occupied Units by Geography	23,191	0.0	32.5	40.3	27.1	0.0
Occupied Rental Units by Geography	6,897	0.0	49.1	29.9	21.0	0.0
Vacant Units by Geography	3,776	0.0	36.1	36.1	27.8	0.0
Businesses by Geography	4,668	0.0	32.5	25.5	42.1	0.0
Farms by Geography	200	0.0	30.5	38.5	31.0	0.0
Family Distribution by Income Level	22,264	23.8	19.2	18.6	38.3	0.0
Household Distribution by Income Level	30,088	25.1	17.3	18.3	39.3	0.0
Median Family Income MSA - 16740 Charlotte-Concord-Gastonia, NC-SC MSA		\$64,187	Median Housing Value			\$172,811
			Median Gross Rent			\$671
			Families Below Poverty Level			10.9%
<i>Source: 2015 ACS Census and 2018 D&B Data Due to rounding, totals may not equal 100.0 (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Scope of Evaluation in North Carolina

First Federal’s AA consists of Lincoln County, North Carolina. We performed a full-scope review of the AA. No area of review was weighted more heavily when concluding on overall performance in the state.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NORTH CAROLINA

LENDING TEST

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

Conclusions for Lincoln County AA Receiving a Full-Scope Review

Based on a full-scope review, the bank's lending performance in the state of North Carolina is reasonable.

Distribution of Loans by Income Level of the Geography

The bank exhibits excellent geographic distribution of loans in the state. There were no conspicuous gaps identified in the bank's AA.

Home Mortgage Loans

Refer to Table O in the state of North Carolina 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 bank exhibits an excellent distribution of home mortgage loans in the AA. During the evaluation period, the distribution of home mortgage loans originated in moderate-income census tracts exceeds the percentage of owner-occupied housing units in moderate-income census tracts. The distribution of home mortgage loans exceeds aggregate lending in moderate-income census tracts. The AA does not have any low-income census tracts.

Distribution of Loans by Income Level of the Borrower

The bank exhibits a reasonable distribution of loans to individuals of different income levels, given the product lines offered by the bank.

Home Mortgage Loans

Refer to Table P in the state of North Carolina 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 bank exhibits a reasonable distribution of home mortgage loans in the AA. During the evaluation period, the bank's distribution of home mortgage loans to low-income families is less than the percentage of low-income families in the AA. However, the bank's distribution of home mortgage loans to moderate-income families were comparable with the percentage of moderate-

income families in the AA. The bank's distribution of home mortgage loans to low- and moderate-income families were comparable to aggregate lenders.

In evaluating borrower income distribution, we considered the need for affordable housing and the high cost of housing in Lincoln County which may impact the bank's ability to originate loans to low-income borrowers. In addition, we also considered the large percentage of borrowers below the poverty level who are likely unable to afford the traditional products offered by the bank. According to the 2015 ACS Census data, 10.9 percent of families residing within the AA have income below the poverty level. Additionally, the median housing value and median family income for the AA are \$172,811 and \$64,187, respectively.

The National Association of Realtors (NAR) reports an increase in housing prices in the Charlotte-Concord-Gastonia NC-SC MSA. In 2016, the median sales price of homes in the MSA was \$226,900, which increased during our evaluation period to \$258,500 in 2019. Further, the NAR's Housing Affordability Index (HAI) reports a decrease in affordability of single-family homes within the MSA. In 2016, the NAR reported a HAI of 193.0. The HAI decreased in 2017 and 2018 to 179.8 and 160.5, respectively, indicating a decrease in affordability.

Additionally, while the real estate climate in Lincoln County remains strong, the bank faces considerable competition from large and regional financial institutions who offer a wider range of products in the AA.

Responses to Complaints

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

COMMUNITY DEVELOPMENT TEST

The bank's performance under the Community Development Test in the State of North Carolina is rated Satisfactory.

Conclusions for Area Receiving a Full-Scope Review

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

Number and Amount of Community Development Loans

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

Community Development Loans				
Assessment Area	Totals			
	#	% of Total #	\$(000's)	% of Total \$
Lincoln County	32	100	\$1,483	100

First Federal demonstrated adequate responsiveness to CD needs when offering qualifying CD loans to LMI individuals within the AA. During the three-year evaluation period, First Federal purchased an interest in 31 community development loans for multifamily housing through the Centrant program, totaling \$1,372,768. The participations ranged from \$25,000 to \$50,000. As of December 31, 2019, the outstanding balance on the loans originated during the review period total \$1,343,314. First FSB also originated a 60-month term loan to Habitat for Humanity of Lincoln County Inc. on July 10, 2019 in the amount of \$110,000. The purpose of the loan was to term out the existing working capital Line of Credit.

Number and Amount of Qualified Investments

First Federal demonstrated adequate responsiveness to CD needs when offering qualifying CD investments to LMI individuals within the AA. First Federal made four qualified donations and contributions, during the evaluation period, to four organizations totaling \$10,106. The largest aggregated contribution, \$8,606, went to an organization whose primary purpose is provide food and emergency financial assistance to low- and moderate-income families in the assessment area who are in need. In addition, funds were donated to support an organization that provides affordable single-family homes for low- and moderate-income families received \$1,500 of the total amount of donations and contributions.

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Totals				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Lincoln County	9	20	4	10	13	100	30	100	0	0

* Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.
 ** Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

Extent to Which the Bank Provides Community Development Services

First Federal demonstrated poor responsiveness to CD needs when offering qualifying services to LMI individuals within the AA, during the evaluation period. First Federal employees serve in a variety of organizations within their assessment area; however, the bank did not report any services that qualified under the CD test.

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

Appendix A: Scope of Examination

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

Time Period Reviewed:	January 1, 2017 to December 31, 2019	
Bank Products Reviewed:	Home Mortgage Community Development Loans, Community Development Qualified Investments, Community Development Services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
Not Applicable	Not Applicable	Not Applicable
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
State of North Carolina		
Lincoln County AA	Full-Scope	Lincoln County is part of the Charlotte-Concord-Gastonia, North Carolina-South Carolina Metropolitan Statistical Area (MSA)

Appendix B: Summary of MMSA and State Ratings

RATINGS: FIRST FEDERAL SAVINGS BANK OF LINCOLNTON			
	Lending Test Rating*	CD Test Rating	Overall Bank/State Rating
Overall Bank:			
First Federal	Satisfactory	Satisfactory	Satisfactory
State:			
North Carolina	Satisfactory	Satisfactory	Satisfactory

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

Appendix C: Definitions and Common Abbreviations

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

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

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

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

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

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

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

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

Small Loan(s) to Business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) instructions. These loans have

original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

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

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

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

Appendix D: Tables of Performance Data

Content of Standardized Tables

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

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

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

- Table S. Assessment Area Distribution of Loans to Farms by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents aggregate peer data for the years the data is available. Because aggregate small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table T. Assessment Area Distribution of Loans to Farms by Gross Annual Revenues** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$500 thousand) originated and purchased by the bank to farms with revenues of \$1 million or less to: 1) the percentage distribution of farms with revenues of greater than \$1 million; and, 2) the percentage distribution of farms for which revenues are not available. The table also presents aggregate peer small farm data for the years the data is available.
- Table U. Assessment Area Distribution of Consumer Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households in those geographies.
- Table V. Assessment Area Distribution of Consumer Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of households by income level in each MMSA/assessment area.

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
Lincoln County	372	68,536	100.0	3,409	0.0	0.0	0.0	32.5	39.8	22.6	40.3	46.0	30.2	27.1	14.2	47.1	0.0	0.0	0.0
Total	372	68,536	100.0	3,409	0.0	0.0	0.0	32.5	39.8	22.6	40.3	46.0	30.2	27.1	14.2	47.1	0.0	0.0	0.0

*Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2018 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
Lincoln County	372	68,536	100.0	3,409	23.8	7.5	7.4	19.2	19.6	16.0	18.6	19.9	21.2	38.3	44.1	39.7	0.0	8.9	15.7
Total	372	68,536	100.0	3,409	23.8	7.5	7.4	19.2	19.6	16.0	18.6	19.9	21.2	38.3	44.1	39.7	0.0	8.9	15.7

*Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2018 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0*