



Office of the  
Comptroller of the Currency  
Washington, DC 20219

# INTERMEDIATE SMALL BANK

## PUBLIC DISCLOSURE

August 15, 2022

## COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The First National Bank & Trust  
**Charter Number 3806**

233 South Stephenson Avenue  
Iron Mountain, MI 49801

Office of the Comptroller of the Currency

1200 North Mayfair Road, Suite 200  
Wauwatosa, WI 53226

**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.

## Table of Contents

Overall CRA Rating.....	2
Description of Institution.....	3
Scope of the Evaluation.....	4
Discriminatory or Other Illegal Credit Practices Review.....	5
Description of Institution’s Operations.....	6
Lending Test.....	7
Community Development Test .....	9
Appendix A: Scope of Examination.....	A-1
Appendix B: Summary of MMSA and State Ratings.....	B-1
Appendix C: Definitions and Common Abbreviations.....	C-1
Appendix D: Tables of Performance Data.....	D-1

## 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 loan-to-deposit (LTD) ratio is reasonable given the bank's size, financial condition, and the credit needs of its assessment area (AA).
- A substantial majority of loan originations are made within the bank's AA.
- The bank exhibits reasonable geographic distribution of loans in the AA.
- The borrower distribution of small loans to businesses of different sizes is considered reasonable.
- The bank demonstrated good responsiveness to community development (CD) needs by engaging in a combination of CD loans, qualified investments, and CD services.

### Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AA, the bank's LTD ratio is reasonable.

The bank's quarterly LTD ratio averaged 53.62 percent over the 13 quarters from June 30, 2019 to June 30, 2022, ranging from 41.58 percent to 63.39 percent. The bank ranks sixth in its peer group that includes six other similarly situated banks, with average LTD ratios ranging from 51.25 percent to 79.02 percent in the specified time period. The peer group consists of banks with assets ranging from \$153 million to \$655 million, with the bank being the second largest in this group.

### Lending in Assessment Area

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

The bank originated and purchased 94.2 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. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria.

**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										
2019	19	95.0	1	5.0	20	1,623	87.7	228	12.3	1,851
2020	18	90.0	2	10.0	20	2,508	90.4	266	9.6	2,774
2021	20	100.0	0	0.0	20	2,649	100.0	0	0.0	2,649
<b>Subtotal</b>	<b>57</b>	<b>95.0%</b>	<b>3</b>	<b>5.0%</b>	<b>60</b>	<b>6,780</b>	<b>93.2%</b>	<b>494</b>	<b>6.8%</b>	<b>7,274</b>
Commercial										
2019	20	100.0	0	0.0	20	4,955	100.0	0	0.0	4,955
2020	18	90.0	2	10.0	20	4,544	30.8	10,200	69.2	14,744
2021	18	90.0	2	10.0	20	1,286	70.5	538	29.5	1,824
<b>Subtotal</b>	<b>56</b>	<b>93.3%</b>	<b>4</b>	<b>6.7%</b>	<b>60</b>	<b>10,785</b>	<b>50.1%</b>	<b>10,738</b>	<b>49.9%</b>	<b>21,523</b>
<b>Total</b>	<b>113</b>	<b>94.2%</b>	<b>7</b>	<b>5.8%</b>	<b>120</b>	<b>17,565</b>	<b>61.0%</b>	<b>11,232</b>	<b>39.0%</b>	<b>28,797</b>
<i>Source: Evaluation Period: 01/01/2019 - 12/31/2021 Bank Data Due to rounding, totals may not equal 100.0</i>										

## Description of Institution

First National Bank & Trust (FNB) is a \$400 million bank headquartered in Iron Mountain, Michigan. The bank is wholly owned by FNB Bancshares, Inc. The bank operates five full-service branches, one trust office, and one mortgage loan production office. The main office and four branches are located in middle-income census tracts (CTs). The branch located in Menominee, Michigan is in an upper-income CT. The bank also operates six Automated Teller Machines (ATMs), including the one located at the main branch. The bank closed one branch during the evaluation period.

The bank offers a full suite of products including non-complex deposit products, one-to-four-family mortgages, consumer loans, commercial loans, brokerage services, insurance, and trust services. As of June 30, 2022, the loan portfolio totals \$175.5 million and represents 43 percent of total assets. By dollar volume, the loan portfolio consists of 67.4 percent commercial loans, 27.5 percent residential loans, 4.9 percent consumer loans, and 0.4 percent agricultural loans. Tier 1 capital totals \$34.3 million.

FNB has one AA which includes 28 CTs, located in both Michigan and Wisconsin. The AA includes all of Dickinson, Iron, and Menominee Counties in the state of Michigan, all of Florence County in Wisconsin, and portions of Menominee County in Wisconsin. The AA does not lie in a metropolitan statistical area (MSA). Based on the FFIEC's June 2022 List of Distressed or Underserved Nonmetropolitan Middle-Income Geographies, both CTs in Florence County are listed as distressed middle-income CTs due to population loss. Michigan and Wisconsin are combined into one AA due to the fact that both areas rely on the same local economy and have similar demographics. The bank's AA complies with regulatory requirements and does not arbitrarily exclude any low- or moderate-income (LMI) geographies.

There are no financial or legal impediments that limit the bank's ability to meet the credit needs of the AA. FNB's last CRA evaluation was dated May 20, 2019. Using Small Bank procedures, the bank received a Satisfactory rating.

## **Scope of the Evaluation**

### **Evaluation Period/Products Evaluated**

We evaluated FNB's performance under the Intermediate Small Bank Lending and CD Tests. The Lending Test assesses the bank's record of meeting the credit needs of its AA through lending activities. The CD Test evaluates the bank's responsiveness to needs in its AA through CD lending, qualified investments, and services. We reviewed data for the bank's primary loan products, small business loans and home mortgage loans, to evaluate the bank's lending performance.

This evaluation covers the period since the prior CRA examination, May 20, 2019, through August 15, 2022. The Lending Test evaluated loans originated between January 1, 2019, and December 31, 2021. The CD Test covered CD loans, investments, and services between the same January 1, 2019 to December 31, 2021 period.

To evaluate residential real estate and small business lending, we used data from bank reports and a random sample of loans for each primary loan product originated or purchased in the bank's AA. Our lending analysis utilized the most recent available demographic and aggregate peer lending data.

We reviewed the bank's CD loans, investments, and services based on information provided by the bank. We included only those loans, investments, and services that met the regulatory definition for CD in our CD Test analysis.

### **Selection of Areas for Full-Scope Review**

Given the bank only has one AA, we reviewed this non-MSA AA using full-scope procedures.

### **Ratings**

The bank's overall rating is based on the full-scope review of the non-MSA area.

## **Discriminatory or Other Illegal Credit Practices Review**

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

The OCC has not identified that this institution (or any affiliate whose loans have been considered as part of the institution's lending performance) has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

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

## Description of Institution's Operations

### Non-MSA AA

Table A – Demographic Information of the Assessment Area						
Assessment Area: FNB Non-MSA AA 2021						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	28	0.0	14.3	78.6	7.1	0.0
Population by Geography	89,355	0.0	14.7	77.9	7.4	0.0
Housing Units by Geography	59,818	0.0	19.9	73.8	6.4	0.0
Owner-Occupied Units by Geography	31,253	0.0	14.7	76.8	8.5	0.0
Occupied Rental Units by Geography	8,434	0.0	16.0	78.6	5.4	0.0
Vacant Units by Geography	20,131	0.0	29.5	67.0	3.5	0.0
Businesses by Geography	5,596	0.0	10.6	84.7	4.8	0.0
Farms by Geography	218	0.0	13.3	78.0	8.7	0.0
Family Distribution by Income Level	24,244	20.3	19.8	24.2	35.7	0.0
Household Distribution by Income Level	39,687	26.9	18.2	18.1	36.7	0.0
Median Family Income Non-MSAs - MI		\$53,628	Median Housing Value			\$99,950
Median Family Income Non-MSAs - WI		\$60,742	Median Gross Rent			\$587
			Families Below Poverty Level			9.7%
<i>Source: 2015 ACS and 2021 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

According to the Census Bureau's 2015 ACS, the bank's AA is comprised of 28 CTs, of which zero are low-income, four (14.29 percent) are moderate-income, 22 (78.57 percent) are middle-income, and two (7.14 percent) are upper-income. The total population of the AA is 89,355, which is comprised of 24,244 families. The number of families at each income level is: 4,913 low-income families (20.26 percent), 4,798 moderate-income families (19.79 percent), 5,872 middle-income families (24.22 percent), and 8,661 upper-income families (35.72 percent). The average median family income is \$52,869, and the FFIEC 2021 updated MSA median family income is \$65,054. The percentage of households below the poverty level is 14.96 percent. Owner-occupied units comprise 52.25 percent of total housing units. Based on 2021 demographic data, the total number of businesses with reported revenues in this AA was 5,814. Of these businesses, 4,543 (78.14 percent) had gross revenues of \$1 million or less, 361 (6.21 percent) had gross revenues over \$1 million, and 910 (15.65 percent) did not report revenue.

According to the Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report as of June 30, 2022, there is strong competition within the non-MSA AA. FNB ranks second among 17 deposit-taking institutions with 15.75 percent of the deposit market share. FNB's main competitor is the Stephenson National Bank and Trust with 20.00 percent of the market. No other deposit-taking institution holds higher than a 7.71 percent market share.

### Employment and Economic Factors

According to the U.S. Department of Labor, Bureau of Labor Statistics report, the unemployment rates for the five counties increased to between 14.9 percent and 18.7 percent as of April 2020 due to the COVID-19 pandemic. Unemployment rates declined to between 2.9 percent and 5.4 percent as of December 2021. According to Data USA, the largest industries in the AA are Health Care and Social Assistance, Manufacturing, and Retail Trade. Major employers include the Dickinson County Healthcare System, BOSS Snowplow, Northern Star Industries, Inc., and Billerud Americas Corporation.

### Community Contact

We spoke with two community contacts, each from separate local Economic Development Alliances. Overall, the needs of the community are being met by local financial institutions. Current economic conditions are fair, and well-paid job opportunities are available. Small businesses are largely performing well as the economy continues to recover from the pandemic. There is minimal vacancy in commercial properties. The most significant challenges in the AA are a lack of housing and childcare capacity. The high costs of construction and short labor supply have further exacerbated the housing issue. Area Economic Development Alliances are working with other local non-profit organizations to push for apartment, condominium, and multi-family housing construction and development to address this issue.

## **Scope of Evaluation**

We completed a full-scope review of the non-MSA AA.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS**

### **LENDING TEST**

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

### **Conclusions for Area Receiving a Full-Scope Review**

Based on a full-scope review, the bank's lending performance is reasonable.

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

The bank exhibits reasonable geographic distribution of loans in the AA.

### ***Home Mortgage Loans***

Refer to table O in 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 home mortgage loans reflects reasonable distribution among geographies. There are no low-income CTs within the bank's AA. The bank originated 4.4 percent of home mortgage loans in moderate-income geographies. The percentage of the bank's originated loans is below the demographics that show 14.7 percent of owner-occupied housing is in moderate-income geographies. The percentage of bank originated loans is also lower than aggregate peer lending data, which shows 21.6 percent of home mortgage lending was in moderate-income geographies. We also considered home mortgage loans made in distressed middle-income CTs. Our random sample included two loans in distressed middle-income CTs. In addition, we reviewed the bank's loan origination report for 2018 through 2021, which showed a moderate level of loans made in distressed middle-income CTs not captured within our loan sample.

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

Refer to table Q in 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 geographic distribution of business loans reflects a reasonable distribution among geographies. There are no low-income CTs in the bank's AA. The bank originated 2.0 percent of business loans in moderate-income geographies. The percent of originated loans is below the demographics that indicate 11.0 percent of AA businesses are in moderate-income geographies. The percentage of bank originated loans is also less than the aggregate peer lending data in moderate-income geographies of 9.1 percent. We also considered business loans made in distressed middle-income CTs for this analysis. Our random sample included two loans in distressed middle-income CTs.

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

The bank exhibits an overall reasonable distribution of loans to businesses and farms of different sizes, given the product lines offered by the bank. However, distribution of home mortgage loans to borrowers of different income levels is poor.

### ***Home Mortgage Loans***

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

The borrower distribution of home mortgage loans within the AA reflects poor distribution among borrowers of different income levels. The bank originated 9.1 percent of its home mortgages to low-income families. This percentage is less than the demographics that indicate 20.3 percent of families in the AA are low-income. The percentage of bank loans to low-income families is slightly lower than the aggregate peer lending data, which shows 9.5 percent of peer lending within the AA was to low-income families. The bank originated 2.6 percent of home mortgages to moderate-income families, which is lower than the demographics that show 19.8 percent of families in the AA are moderate income. The

bank’s lending is also lower than the peer aggregate lending data, which shows 20.0 percent of peer lending within the AA was to moderate-income families.

***Small Loans to Businesses***

Refer to table R in appendix D for the facts and data used to evaluate the borrower distribution of the bank’s originations and purchases of small loans to businesses.

The borrower distribution of loans reflects reasonable distribution among businesses of different sizes. The bank originated 61.1 percent of its business loans to AA small businesses (businesses with gross annual revenues of \$1.0 million or less). This percentage of loans to small business is below the percentage of small business in the AA, which is 76.5 percent of total businesses. The percentage of bank loans to small businesses exceeds the aggregate lending data which shows 49.0 percent of peer business lending in the AA was to small businesses.

**Responses to Complaints**

There were no consumer complaints regarding the bank’s CRA performance, nor any indicating illegal or discriminatory lending practices during this evaluation.

**COMMUNITY DEVELOPMENT TEST**

The bank’s performance under the Community Development Test 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 AA 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 AA.

**Number and Amount of Community Development Loans**

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

<i>Community Development Loans</i>				
Assessment Area	Total			
	#	% of Total #	\$(000’s)	% of Total \$
Non-MSA	18	100%	3,334	100%

FNB’s CD lending reflects excellent responsiveness to identifying and addressing the credit needs in the bank’s AA.

During the evaluation period, the bank originated or renewed 18 loans for a total of \$3.3 million within the bank's AA. The majority of the bank's CD loans were made to support housing needs, community services, and economic development and revitalization. A few notable examples include:

- Three loans totaling \$129 thousand to a local non-profit organization with the purpose of providing affordable housing for purchase by LMI individuals or families.
- Two loans totaling \$431 thousand for a new childcare facility providing services to distressed areas.
- One loan totaling \$250 thousand to a local non-profit organization which works to improve employment opportunities for LMI individuals with disabilities.
- Three loans to two separate borrowers totaling \$682 thousand to finance economic development alongside a state-sponsored revitalization program.

In response to the COVID-19 pandemic, the bank made 652 Small Business Administration Paycheck Protection Program loans totaling approximately \$51.6 million. This activity received positive consideration as it provided stabilization of small businesses and communities.

### Number and Amount of Qualified Investments

The Qualified Investment Table, shown below, sets forth the information and data used to evaluate the bank's level of qualified CD investments. These tables include all CD investment, including prior period investments that remain outstanding as of the examination date.

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Non-MSA	3	1,622	0	0	3	100%	1,622	100%	0	0

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

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

The level of qualified community development investments is adequate, totaling \$1.62 million for the review period.

Additionally, the bank made 14 donations for a total of \$49 thousand to groups and organizations within the AA during the review period. These organizations cover a variety of needs in the AA, such as economic development of local and small businesses, scholarship funds and housing assistance for LMI individuals, and healthcare needs for LMI individuals and communities. While not a comprehensive list, below are a few notable donations.

- One donation totaling \$34 thousand was provided to the Dickinson Area Economic Development Alliance to support housing, revitalization, and economic development initiatives.
- One donation totaling \$6 thousand was provided to a community-based organization to support a home repair program for LMI individuals and families.
- One donation totaling \$500 was provided to a healthcare foundation whose mission includes supporting the unmet healthcare needs of the underserved and uninsured in the local community.

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

## **Extent to Which the Bank Provides Community Development Services**

FNB provides a reasonable level of CD services through its branches, products, and activities with local organizations that support many activities that directly benefit LMI populations and distressed areas in the bank's AA. The bank does not operate branches or ATMs located in moderate-income CTs or distressed areas, but branch and ATM locations are within a reasonable distance of both. The bank provides affordable banking services in its AA.

During the evaluation period, 12 FNB employees provided technical assistance and financial expertise to 16 CD organizations serving the bank's AA. These organizations address AA needs of affordable housing, economic and business development, and educational development for LMI individuals. While not a comprehensive list, below are some highlights that demonstrate the type of activity bank employees participated in:

- Two bank employees served as board members for the Dickinson Area Economic Development Alliance, providing lending expertise to help the organization promote talent attraction, business retention, and economic growth in Dickinson County.
- Three bank employees worked with Junior Achievement as educators, using their financial expertise to educate local school children about financial management.
- Two bank employees served as school board members for Breitung Township and West Iron County, helping to administer a variety of programs through the schools to assist LMI families.

## Appendix A: Scope of Examination

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

<b>Time Period Reviewed:</b>	January 1, 2019 through December 31, 2021	
<b>Bank Products Reviewed:</b>	Home mortgage, small business, community development loans, qualified investments, community development services	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
None.		
<b>List of Assessment Areas and Type of Examination</b>		
<b>Rating and Assessment Areas</b>	<b>Type of Exam</b>	<b>Other Information</b>
Non-MSA	Full-scope	Dickinson – 7 (MI), Iron – 5 (MI), Menominee – 7 (MI), Florence – 2 (WI), Marinette – 7 (WI)

## Appendix B: Summary of MMSA and State Ratings

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RATINGS      The First National Bank & Trust			
Overall Bank:	Lending Test Rating*	CD Test Rating	Overall Bank/State/Multistate Rating
Satisfactory	Satisfactory	Satisfactory	Satisfactory

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

## Appendix C: Definitions and Common Abbreviations

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## Appendix D: Tables of Performance Data

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### Content of Standardized Tables

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

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

- Table 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.

<b>Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography</b>																			<b>2019-2021</b>		
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		
FNBT Non-MSA AA 2021	60	7,084	100.0	1,807	0.0	0.0	0.0	14.7	4.4	21.6	76.8	95.6	70.5	8.5	0.0	7.9	0.0	0.0	0.0		
<b>Total</b>	<b>60</b>	<b>7,084</b>	<b>100.0</b>	<b>1,807</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>14.7</b>	<b>4.4</b>	<b>21.6</b>	<b>76.8</b>	<b>95.6</b>	<b>70.5</b>	<b>8.5</b>	<b>0.0</b>	<b>7.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		

Source: 2015 ACS; 01/01/2019 - 12/31/2021 Bank Data, 2019 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

<b>Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower</b>																			<b>2019-2021</b>		
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		
FNBT Non-MSA AA 2021	60	7,084	100.0	1,807	20.3	9.1	9.5	19.8	2.6	20.0	24.2	11.3	20.8	35.7	75.0	32.5	0.0	2.0	17.2		
<b>Total</b>	<b>60</b>	<b>7,084</b>	<b>100.0</b>	<b>1,807</b>	<b>20.3</b>	<b>9.1</b>	<b>9.5</b>	<b>19.8</b>	<b>2.6</b>	<b>20.0</b>	<b>24.2</b>	<b>11.3</b>	<b>20.8</b>	<b>35.7</b>	<b>75.0</b>	<b>32.5</b>	<b>0.0</b>	<b>2.0</b>	<b>17.2</b>		

Source: 2015 ACS ; 01/01/2019 - 12/31/2021 Bank Data, 2019 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

<b>Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography</b>																			<b>2019-2021</b>	
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	
FNBT Non-MSA AA 2021	60	11,335	100.0	1,080	0.0	0.0	0.0	11.0	2.0	9.1	84.4	95.4	83.8	4.6	2.6	7.1	0.0	0.0	0.0	
<b>Total</b>	<b>60</b>	<b>11,335</b>	<b>100.0</b>	<b>1,080</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>11.0</b>	<b>2.0</b>	<b>9.1</b>	<b>84.4</b>	<b>95.4</b>	<b>83.8</b>	<b>4.6</b>	<b>2.6</b>	<b>7.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	

*Source: 2019 D&B Data; 01/01/2019 - 12/31/2021 Bank Data; 2019 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%*

<b>Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues</b>													<b>2019-2021</b>	
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			
FNBT Non-MSA AA 2021	60	11,335	100.0	1,080	76.5	61.1	49.0	6.9	38.9	16.5	0.0			
<b>Total</b>	<b>60</b>	<b>11,335</b>	<b>100.0</b>	<b>1,080</b>	<b>76.5</b>	<b>61.1</b>	<b>49.0</b>	<b>6.9</b>	<b>38.9</b>	<b>16.5</b>	<b>0.0</b>			

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