



Office of the  
Comptroller of the Currency  
Washington, DC 20219

# INTERMEDIATE SMALL BANK

## PUBLIC DISCLOSURE

February 18, 2020

## COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The Fairfield National Bank  
Charter Number 6609

220 East Main Street  
Fairfield, IL 62837

Office of the Comptroller of the Currency

8777 Purdue Road  
Indianapolis, IN 46268

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

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## Overall CRA Rating

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

**The Lending Test is rated:** Satisfactory.

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

The major factors that support this rating include:

- The Lending Test rating is based on the bank's assessment area (AA) located in the state of Illinois. A substantial majority of loans are originated inside the bank's AA, and the bank's LTD ratio is more than reasonable. Lending to individuals of different income levels and businesses and farms of different sizes is reasonable. Geographic distribution of loans in the AA is reasonable.
- The Community Development (CD) Test rating is based on the bank's AA located in the state of Illinois. CD lending, services and investments had a significant positive impact in the AA.

### Loan-to-Deposit Ratio

Given the bank's size and financial condition, and considering the credit needs of the AA, the First National Bank of Fairfield's (FNB or bank) loan-to-deposit (LTD) ratio is more than reasonable. FNB's quarterly LTD ratio averaged 97.5 percent during the 13-quarter period ending December 31, 2019. The LTD ratio fluctuated from a low of 90.7 percent for the quarter ended December 31, 2016, to a high of 107.7 percent for the quarter ended December 31, 2019. The bank's average LTD ratio is higher than the peer group average ratio of 72.9 percent for the same 13-quarter period. Examiners considered the average LTD ratios of six other banks with offices in the AA. These banks had asset sizes between \$8 million and \$426.7 million, with average LTD ratios between 48.8 percent and 90.9 percent.

### Lending in Assessment Area

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

The bank originated or purchased 80.0 percent by number and 93.4 percent by dollar 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.

<b>Lending Inside and Outside of the Assessment Area</b>										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$(000s)	%	\$	%	
Farm	17	85.0	3	15.0	20	1,762	94.9	94	5.1	1,856
Consumer	15	75.0	5	25.0	20	197	81.4	45	18.6	242
<b>Total</b>	<b>32</b>	<b>80.0</b>	<b>8</b>	<b>20.0</b>	<b>40</b>	<b>1,959</b>	<b>93.4</b>	<b>139</b>	<b>6.6</b>	<b>2,098</b>

## Description of Institution

FNB is a federally-chartered, national bank headquartered in Fairfield, Illinois. The bank is wholly-owned by Fairfield Bankshares, Inc., a one-bank holding company. At December 31, 2019, FNB reported total assets of \$545.9 million and \$66.3 million in tier 1 capital. FNB's assets represent the majority of the holding company's assets; however, the bank has an affiliate whose primary purpose is philanthropic activities (Fairfield National Bank Community Foundation). There have not been any significant changes to FNB's corporate structure, including merger or acquisition activities, since the last CRA evaluation.

FNB offers traditional banking products and services at its main office in Fairfield and two branch locations in Illinois. The bank has three deposit-taking automated teller machines (ATMs) and five ATMs that do not take deposits. In addition to its branch and ATM networks, FNB's delivery channels include internet, mobile, and telephone banking. The bank's business strategy focuses on farm and consumer loans.

The bank's AA encompasses all six census tracts (CTs) in Wayne County, two CTs in Jefferson and Edwards Counties and one CT in Wabash and White Counties. All bank locations are in middle-income CTs. The two bank locations in Wayne County were located in distressed CTs in 2017 and 2018.

According to the June 30, 2019, FDIC Deposit Market Share Report, the bank had \$357.1 million in deposits, for a 17.5 percent market share. FNB ranked first, out of 17 FDIC-insured depository institutions, for deposit market share. The top three depository institutions (FNB, Peoples National Bank, and FNB of Carmi) accounted for 46.8 percent of total deposits in the AA.

At December 31, 2019, the bank's loan portfolio totaled \$348.5 million and represented 62.1 percent of total assets. See the table below for the loan portfolio breakdown:

<b>Loan Portfolio Composition</b>			
<b>Loan Category</b>	<b>Amount (\$000s)</b>	<b>Percent of Total Loans</b>	<b>Percent of Total Assets</b>
Business	\$ 159,190	45.7%	29.2%
Farm	\$ 103,174	29.6%	18.9%
Home Mortgage	\$ 70,173	20.1%	12.9%
Consumer	\$ 14,541	4.2%	2.7%
Other	\$ 1,380	0.4%	0.3%
<b>Total</b>	<b>\$ 348,458</b>	<b>100.0%</b>	<b>63.8%</b>

Source: Call Report as of December 31, 2019

FNB does not have any legal, financial, or other factors that would impede its ability to meet credit needs in the AA. The bank received a “Outstanding” rating at its previous CRA evaluation, dated January 17, 2017.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

The OCC evaluated FNB under the Intermediate Small Bank evaluation procedures, which include both a Lending Test and a CD test. The Lending Test evaluates the bank’s record of meeting the credit needs in the bank’s AA. Examiners utilized the bank’s loan register to identify loans originated from January 1, 2017, through December 31, 2019. The CD test evaluates the bank’s lending, investment, and service activities aimed at CD. The evaluation period for this review is January 18, 2017, through December 31, 2019.

### Selection of Areas for Full-Scope Review

In each state where the bank has an office, one or more of AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated 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 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

As FNB has only one AA, the IL Non-MSA AA. The overall rating is based on the performance in this area. The OCC placed more weight on the bank’s performance for farm and consumer loans, given the number and dollar volume of lending during the evaluation period and the bank’s business strategy. Business loan dollar volume totals are higher; however, business lending is not a FNB primary product or part of the business strategy.

Loan Category	Amount (\$000s)	Percent of Total
Business	\$147,328	48.1%
Farm	\$ 78,838	25.8%
Consumer	\$ 40,762	13.3%
Residential	\$ 39,307	12.8%
<b>Total</b>	<b>\$306,235</b>	<b>100.00%</b>

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

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

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

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

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

## State Rating

### State of Illinois

**CRA rating for the State of Illinois:** Outstanding.

**The Lending Test is rated:** Satisfactory.

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

The major factors that support this rating include:

- The Lending Test rating is based on satisfactory performance in the IL Non-MSA AA. FNB originated a substantial majority of loans in its AA with a reasonable distribution among borrowers and geographies of different income levels.
- The CD Test rating is based on outstanding performance in the IL Non-MSA AA. FNB demonstrated excellent responsiveness to CD needs by engaging in a combination of CD loans, qualified investments, and CD services

### Description of Institution's Operations in Illinois

FNB has one AA within the state of Illinois rating area. See the *Description of Institution* section for additional details. Based on this footprint, FNB has one AA, the IL Non-MSA. The AA meets the requirements of the regulation and does not arbitrarily exclude low- or moderate-income (LMI) geographies. There was one moderate-income CT in the AA. During the evaluation period, no CTs were designated as low-income.

The bank operates a main office and two branches in the state of Illinois. There were no branch openings or closings in the state during the evaluation period. FNB's primary business strategy focuses on farm and consumer loans.

Competition for small farm loans in the bank's AA is strong. Based on 2019 Dun and Bradstreet (D&B) data, farms in the AA totaled 228 and 97.4 percent were farms with gross annual revenues of \$1.0 million or less. Five or 2.3 percent of small farms were in the moderate-income CT.

According to the Bureau of Labor Statistics, unemployment in Edwards County was 4.2 percent, Jefferson County was 4.3 percent, Wabash County was 3.0 percent, Wayne County was 4.4, and White County was 3.8 percent in 2019. The 2019 state and national unemployment rates were both 3.5 percent. According to the 2015 ACS US Census, 13.4 percent of households were below the poverty level. Five CTs in Wayne County were designated as distressed due to unemployment during the evaluation period. Two bank locations were in distressed CTs in Edwards County, and one CT in Wabash County was designated as underserved.

Industries driving the local economy include agriculture, services, and healthcare facilities. The largest employers in the area include the Fairfield Memorial Hospital, Horizon Healthcare, and the local school districts. Many residents commute to the Mt. Vernon, Illinois area for employment.

Two new community contacts were performed for this evaluation. One contact was a representative for a community action organization and the other, a representative for a grassroots community group. The contacts noted local banks have been very involved in supporting the local community. One contact noted an opportunity for banks to form a collaborative group among the banking community to benefit affordable housing projects.

Refer to the community profile for the state of Illinois below for detailed demographics and other performance context information for the AA that received a full-scope review.

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Fairfield NB</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	11	0.0	9.1	90.9	0.0	0.0
Population by Geography	36,283	0.0	6.1	93.9	0.0	0.0
Housing Units by Geography	15,992	0.0	6.5	93.5	0.0	0.0
Owner-Occupied Units by Geography	11,654	0.0	6.5	93.5	0.0	0.0
Occupied Rental Units by Geography	2,600	0.0	8.5	91.5	0.0	0.0
Vacant Units by Geography	1,738	0.0	3.5	96.5	0.0	0.0
Businesses by Geography	1,609	0.0	8.8	91.2	0.0	0.0
Farms by Geography	228	0.0	2.2	97.8	0.0	0.0
Family Distribution by Income Level	9,800	20.4	19.2	22.9	37.4	0.0
Household Distribution by Income Level	14,254	23.4	16.1	19.8	40.7	0.0
Median Family Income Non-MSAs - IL		\$59,323	Median Housing Value			\$76,300
			Median Gross Rent			\$542
			Families Below Poverty Level			11.0%
<i>Source: 2015 ACS Census and 2019 D&amp;B Data</i>						
<i>Due to rounding, totals may not equal 100.0</i>						
<i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

## Scope of Evaluation in Illinois

The OCC performed a full-scope review of the bank's AA.

The Fairfield AA has one moderate-income CT. The OCC also determined that farms and consumer loans were the primary products in the AA based on the volume of loan originations during the evaluation period and the bank's business strategy. Commercial loans are not a primary product based on the bank's business strategy.

Refer to the table in Appendix A: Scope of Examination for additional information.



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

### **LENDING TEST**

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

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

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

- The geographic distribution of small loans to farms and consumer loans is reasonable.
- The borrower distribution of small loans to farms and consumer loans is reasonable.
- Examiners did not identify any conspicuous lending gaps.
- The absence of complaints regarding FNB's CRA performance.

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

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

##### ***Small Loans to Farms***

Overall, the geographic distribution of small loans to farms is reasonable.

The geographic distribution of small loans to farms is reasonable. The AA had one moderate-income CT. The bank's percentage of loans in the moderate-income CT was below the percentage of small farms (farms with gross annual revenues of \$1.0 million or less) and the aggregate lending in those geographies. Based on the strong level of competition within the area for the low number of farms in the CT (five farms), this distribution is reasonable.

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

##### ***Consumer Loans***

Overall, the geographic distribution of consumer loans is reasonable.

FNB's distribution of consumer loans in the moderate-income CT was reasonable. The AA had one moderate-income CT. The bank's percentage of loans in the moderate-income CT was below the percentage of households in those geographies. Based on the strong level of competition within the area for the low percentage of households in the CT (6.8 percent) coupled with the high number of households below poverty level (10.5 percent), this distribution is reasonable.

Refer to Table U in the state of Illinois section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's consumer loan originations and purchases.

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

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

### ***Small Loans to Farms***

Overall, the geographic distribution of small loans to farms is reasonable.

The borrower distribution of small loans to farms was reasonable. The distribution of the bank's lending to small farms was slightly below the percentage of small farms but exceeded aggregate lending.

Refer to Table T in the state of Illinois section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to farms.

### ***Consumer Loans***

Overall, the borrower distribution of consumer loans is excellent.

The borrower distribution of consumer loans was excellent. The distribution of the bank's lending to low- and moderate-income borrowers was well above the percentage of low- and moderate-income households.

Refer to Table V in the state of Illinois section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's consumer loan originations and purchases.

## **Responses to Complaints**

During the evaluation period, FNB did not receive any complaints related to its performance in helping to meet the credit needs of its AA.

## **COMMUNITY DEVELOPMENT TEST**

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

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

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

## **Number and Amount of Community Development Loans**

CD loans had a positive impact on lending performance in the AA. During the evaluation period, the bank made 12 loans in its AA totaling \$1.8 million. The loans included funding a farm market's building renovation and improvements located in a moderate CT and purchasing and starting a new business in a distressed CT in the AA.

The CD 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 \$
Fairfield	12	100	1,833	100

### Number and Amount of Qualified Investments

CD investments had a significant positive impact on investment performance in the AA. During the evaluation period, the bank made eight investments in its AA totaling \$3.9 million. The obligations were for improvements to a local parks district in a distressed county for a community college serving the AA, and an airport authority serving the AA employers and farms. The bank also received credit for 25 prior period investments, still outstanding, totaling \$5.4 million. Some of the prior investments include financing construction of a school in the AA with a majority of LMI students. Multiple donations to organizations providing services to LMI individuals and organizations revitalizing distressed or underserved CTs were made during the evaluation period. FNB made qualified donations to 26 organizations totaling \$73,025. The investments and donations total \$9.5 million, or 14.3 percent of tier 1 capital.

Refer to the Investment Activity table below for the facts and data used to evaluate the bank's level of CD investments.

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Fairfield	25	5,445	8	3,940	33	100	9,385	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

FNB provides an excellent level of CD services. Within the AA, 15 employees were involved in CD services for 13 different organizations. Employees spent over 1,400 hours volunteering with these organizations. Of the services performed, seven demonstrated leadership by serving on the board or committee of the organizations. Most of the activities were for organizations that provide services to LMI individuals, while some of the organizations promote affordable housing, economic development, and revitalization/stabilization of LMI geographies.

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

## 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>	01/01/2017 to 12/31/2019	
<b>Bank Products Reviewed:</b>	Small farm, consumer loans CD loans, qualified investments, CD services	
<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>
Fairfield	Full-scope	County of Wayne, partial counties of Edwards, Jefferson, Wabash and White.

## Appendix B: Summary of MMSA and State Ratings

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RATINGS First National Bank of Fairfield			
Overall Bank:	Lending Test Rating*	CD Test Rating	Overall Bank/State/Multistate Rating
FNB Fairfield	Satisfactory	Outstanding	Outstanding
MMSA or State:			
Illinois	Satisfactory	Outstanding	Outstanding

(\*) The Lending Test and CD 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 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 S: Assessment Area Distribution of Loans to Farms by Income Category of the Geography</b>																<b>2017-19</b>		
Assessment Area:	Total Loans to Farms			Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$(000)	% of Total	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate
Fairfield NB	20	1,856	100.0	0.0	0.0	0.0	2.2	0.0	0.8	97.8	100.0	99.2	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>20</b>	<b>1,856</b>	<b>100.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>2.2</b>	<b>0.0</b>	<b>0.8</b>	<b>97.8</b>	<b>100.0</b>	<b>99.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

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

<b>Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues</b>											<b>2017-19</b>	
Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available		
	#	\$(000)	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans	
Fairfield NB AA 2019	20	2,030	100.0	132	97.4	95.0	47.7	0.9	0.0	1.8	0.5	
<b>Total</b>	<b>20</b>	<b>2,030</b>	<b>100.0</b>	<b>132</b>	<b>97.4</b>	<b>95.0</b>	<b>47.7</b>	<b>0.9</b>	<b>0.0</b>	<b>1.8</b>	<b>0.5</b>	

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

<b>Table U: Assessment Area Distribution of Consumer Loans by Income Category of the Geography</b>												<b>2017-19</b>	
Assessment Area:	Total Consumer Loans			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts	
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans
Fairfield NB AA 2019	20	221,340	100.0	0.0	0.0	6.8	0.0	93.2	100.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>20</b>	<b>221,340</b>	<b>100.0</b>	<b>0.0</b>	<b>0.0</b>	<b>6.8</b>	<b>0.0</b>	<b>93.2</b>	<b>100.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

*Source: 2015 U.S Census; 01/01/20XX - 12/31/20XX Bank Data. Due to rounding, totals may not equal 100.0*

<b>Table V: Assessment Area Distribution of Consumer Loans by Income Category of the Borrower</b>												<b>2017-19</b>	
Assessment Area:	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income Borrowers	
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans
Fairfield NB AA 2019	20	221,340	100.0	23.4	35.0	16.1	45.0	19.8	5.0	40.7	15.0	0.0	0.0
<b>Total</b>	<b>20</b>	<b>221,340</b>	<b>100.0</b>	<b>23.4</b>	<b>35.0</b>	<b>16.1</b>	<b>45.0</b>	<b>19.8</b>	<b>5.0</b>	<b>40.7</b>	<b>15.0</b>	<b>0.0</b>	<b>0.0</b>

*Source: 2015 U.S Census; 01/01/2017 - 12/31/2019 Bank Data. Due to rounding, totals may not equal 100.0*