

PUBLIC DISCLOSURE

February 27, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

NBC Oklahoma
Certificate Number: 4032

13401 N Pennsylvania Avenue
Oklahoma City, Oklahoma 73120

Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection
Dallas Regional Office

600 North Pearl Street, Suite 700
Dallas, Texas 75201

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, nor should it 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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INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated **Satisfactory**.

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment areas (AAs), including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

NBC Oklahoma's satisfactory Lending Test rating and satisfactory Community Development Test rating support the overall CRA rating. The following points summarize conclusions regarding the applicable tests, discussed in detail elsewhere.

The Lending Test is rated Satisfactory.

- The loan-to-deposit ratio (LTD) is reasonable (considering seasonal variations and taking into account lending-related activities), given the institution's size, financial condition, and AAs' credit needs.
- A majority of loans are in the institution's AAs.
- The geographic distribution of loans reflects reasonable dispersion throughout the AAs.
- The distribution of borrowers reflects, given the demographics of the AAs, reasonable penetration among businesses of different sizes.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the Lending Test rating.

The Community Development Test is rated Satisfactory.

The institution's community development (CD) performance demonstrates adequate responsiveness to CD needs in its AAs through CD loans, qualified investments (QIs), and CD services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for CD in the institution's AAs.

DESCRIPTION OF INSTITUTION

NBC Oklahoma maintains its headquarters in Oklahoma City, Oklahoma. NBC Corporation of Oklahoma, a one-bank holding company also located in Oklahoma City, wholly owns the bank. The institution received a Satisfactory rating at its previous February 18, 2020 FDIC Performance Evaluation based on Intermediate Small Bank Procedures

The bank functions as a retail bank operating from its main office and six full-service branch offices. Since the previous evaluation, the bank opened one branch located in an upper-income census tract on June 1, 2020, and closed one branch also located in an upper-income census tract on June 30, 2020, both located in Oklahoma City. The bank did not participate in any merger or acquisition activity since the previous evaluation.

The bank offers various loan products including commercial, agricultural, home mortgage, and consumer loans, primarily focusing on commercial lending. The institution also offered loans through the Small Business Administration (SBA) Paycheck Protection Program (PPP) and originated 1,245 PPP loans totaling approximately \$45.8 million during the evaluation period. The SBA, with support from the Department of the Treasury, implemented the PPP, which provides loans to encourage qualified businesses that meet certain standards established by the SBA to retain employees through the COVID-19 pandemic. The program includes loan forgiveness subject to certain conditions.

The institution offers a variety of deposit services including checking, savings, money market, and certificate of deposit accounts. Alternative banking services include internet and mobile banking, remote deposit capture, electronic bill pay, and nine non-deposit taking automated teller machines (ATMs).

As of December 31, 2022, the institution's assets totaled approximately \$894.9 million, total loans equaled \$605.8 million, and total deposits equaled \$821.7 million. Since the prior evaluation, total assets increased by 23.5 percent, total loans increased by 12.5 percent, and total deposits increased by 26.7 percent. The following table illustrates the outstanding loan portfolio as of December 31, 2022, reflecting a distribution supportive of the institution's business focus, with commercial loans representing the largest portion of the loan portfolio.

Loan Portfolio Distribution as of 12/31/2022		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	51,077	8.4
Secured by Farmland	28,912	4.8
Secured by 1-4 Family Residential Properties	94,558	15.6
Secured by Multifamily (5 or more) Residential Properties	5,931	1.0
Secured by Nonfarm Nonresidential Properties	199,914	33.0
Total Real Estate Loans	380,392	62.8
Commercial and Industrial Loans	167,718	27.7
Agricultural Production and Other Loans to Farmers	50,556	8.3
Consumer Loans	3,539	0.6
Obligations of State and Political Subdivisions in the U.S.	0	0.0
Other Loans	3,161	0.5
Lease Financing Receivable (net of unearned income)	417	0.1
Less: Unearned Income	0	0.0
Total Loans	605,783	100.0
<i>Source: Reports of Condition and Income. Due to rounding, totals may not equal 100.0.</i>		

Examiners did not identify any financial, legal, or other impediments that affected the institution’s ability to meet its AAs’ credit needs.

DESCRIPTION OF ASSESSMENT AREAS

NBC Oklahoma designated three AAs in the State of Oklahoma. All three AAs remain consistent with the previous evaluation. The AAs meet the technical requirements of the CRA. Refer to the individual discussion of the AAs for more details.

Description of Assessment Areas			
Assessment Area	Counties in Assessment Area	# of CTs	# of Branches
Oklahoma City MSA AA	Oklahoma*	141	2
Oklahoma Non-MSA AA	Jackson* and Kingfisher*	7	4
Enid MSA AA	Garfield*	15	1
<i>Source: 2020 U.S. Census Data; Bank Data. *Denotes partial county.</i>			

SCOPE OF EVALUATION

General Information

Examiners evaluated performance based on Intermediate Small Bank Procedures, which include the Lending Test and Community Development Test. This evaluation covers the period from the prior evaluation dated February 18, 2020, to the current evaluation dated February 27, 2023.

Examiners performed a full-scope review of the Oklahoma City Metropolitan Statistical Area (MSA) AA as this area maintains the greatest level of loans and deposits as seen in the following table. For the same reasons, this AA also received the most weight when arriving at conclusions

and the overall rating. Examiners also performed a full-scope review of the Oklahoma Non-MSA AA and the Enid MSA AA. Neither AA received a full-scope review at either of the prior two evaluations. The Oklahoma Non-MSA AA received more weight than the Enid MSA AA when arriving at conclusions due to a higher level of loans, deposits, and branch locations.

Assessment Area Breakdown of Loans, Deposits, and Branches						
Assessment Area	Loans		Deposits		Branches	
	\$(000s)	%	\$(000s)	%	#	%
Oklahoma City MSA AA	173,390	77.4	509,810	62.3	2	28.5
Oklahoma Non-MSA AA	37,006	16.5	243,965	29.8	4	57.1
Enid MSA AA	13,579	6.1	64,261	7.9	1	14.3
Total	223,975	100.0	818,036	100.0	7	100.0

Source: 2022 Bank Data; FDIC Summary of Deposits (6/30/2022). Due to rounding, totals may not equal 100.0.

Activities Reviewed

Intermediate Small Bank Procedures require examiners to determine the bank’s major product lines from which to review. Examiners may select from the same loan categories used for Large Bank evaluations: home mortgage, small business, small farm, and consumer loans. The following table shows the bank’s lending activity for 2022.

Loans Originated or Purchased				
Loan Category	\$(000s)	%	#	%
Construction and Land Development	43,266	19.3	123	14.2
Secured by Farmland	4,975	2.2	21	2.4
Secured by 1-4 Family Residential Properties	30,977	13.8	127	14.7
Multi-Family (5 or more) Residential Properties	4,819	2.2	4	0.5
Commercial Real Estate Loans	31,553	14.1	40	4.6
Commercial and Industrial Loans	95,399	42.6	289	33.5
Agricultural Loans	9,924	4.4	133	15.4
Consumer Loans	2,936	1.3	125	14.5
Other Loans	126	0.1	2	0.2
Total Loans	223,975	100.0	864	100.0

Source: 2022 Bank Data. Due to rounding, totals may not equal 100.0.

Considering the dollar volume and number of loans originated, as well as management’s stated business strategy, examiners determined that the bank’s major product line consists of commercial lending. Since the bank is not subject to the reporting requirements of the Home Mortgage Disclosure Act and no other categories typically reviewed for CRA represent major product lines, this evaluation does not include a review of them since they would not materially affect any conclusions or ratings. Bank records indicate that the lending focus and product mix remained generally consistent throughout the evaluation period.

For the Lending Test, examiner reviewed a sample of 162 small business loans totaling \$24.9 million taken from a universe of 305 small business loans totaling \$48.2 million originated in 2022, which represents the most recent completed calendar year of available data. D&B data for 2022 provided a standard comparison.

While the evaluation presents both the number and dollar volume of loans, examiners emphasized performance by number of loans because the number of loans better indicates the number of businesses served.

For the Community Development Test, the scope of the evaluation includes data provided by bank management on CD loans, QIs, and CD services since the prior evaluation. The evaluation of QIs also considers the book value of prior period QIs that remain outstanding as of this evaluation’s date.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

NBC Oklahoma demonstrated satisfactory performance regarding the Lending Test. A reasonable LTD ratio, reasonable records regarding geographic distribution and borrower profile, and a majority of loans originated inside the AAs support this conclusion.

Loan-to-Deposit Ratio

The LTD ratio is reasonable (considering seasonal variations and taking into account lending related activities) given the institution’s size, financial condition, and AAs’ credit needs. For the 12 quarters since the previous evaluation, the bank recorded a 75.6 percent average, net LTD ratio, which reflects a decrease from the 86.5 percent average, net LTD ratio reported at the previous evaluation. The bank’s quarterly, net LTD ratio ranged from a high of 86.2 percent on March 31, 2020, to a low of 66.2 percent on June 30, 2022.

Examiners identified and listed in the following table three comparable institutions operating in similar areas, with comparable asset sizes and lending emphases. As illustrated, NBC Oklahoma reported a comparable LTD ratio to the other similarly situated institutions.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 12/31/2022 (\$000s)	Average Net LTD Ratio (%)
NBC Oklahoma, Oklahoma City, OK	894,928	75.6
Firststar Bank, Sallisaw, OK	920,002	88.9
Vast Bank, National Association, Tulsa, OK	865,617	85.1
First National Bank and Trust, Shawnee, OK	814,463	66.3
<i>Source: Reports of Condition and Income (3/31/2020 – 12/31/2022).</i>		

Assessment Area Concentration

A majority of loans are in the institution’s AAs. The following table shows the bank originated a majority of small business loans, by number and dollar volume, within the AAs.

Lending Inside and Outside of the Assessment Areas										
Loan Category	Number of Loans				Total #	Dollars Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Small Business	96	59.3	66	40.7	162	13,149	52.8	11,777	47.3	24,926
<i>Source: 2022 Bank Data. Due to rounding, totals may not equal 100.0.</i>										

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the AAs. Reasonable performance in the Oklahoma City MSA AA supports this conclusion. Performance in the Oklahoma Non-MSA AA and Enid MSA AA proved inconsistent. Examiners considered the bank’s performance relative to the available comparative data and any performance context issues. They focused on the percentage by number of loans in low- and moderate-income geographies in the AAs when arriving at conclusions.

Borrower Profile

The distribution of borrowers reflects, given the demographics of the AAs, reasonable penetration among businesses of different sizes. Reasonable records in all three AAs support this conclusion. Examiners focused on the percentage by number of loans to businesses with gross annual revenue of \$1 million or less in the AAs when arriving at conclusions.

Response to Complaints

The bank did not receive any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the Lending Test rating.

COMMUNITY DEVELOPMENT TEST

NBC Oklahoma demonstrated satisfactory performance regarding the Community Development Test. The bank’s CD performance demonstrates adequate responsiveness to CD needs in its AAs through CD loans, QIs, and CD services, as appropriate, considering the institution’s capacity and the need and availability of opportunities for CD in the institution’s AAs.

Community Development Loans

The following table shows that since the prior evaluation, the bank originated 19 CD loans totaling approximately \$25.3 million. The total dollar amount equates to 3.1 percent of average total assets of \$813.6 million since the previous evaluation and 4.6 percent of average net loans of \$547.7

million for the same period. These levels reflect a slight decrease from the 3.8 percent of average total assets and 5.1 percent of average net loans reported at the previous evaluation.

The CD loans did not prove particularly responsive to a majority of the AAs’ primary identified needs since nearly all of the CD loans instead supported revitalize and stabilize efforts, which represented an identified need only in one AA. The following table illustrates the bank’s CD loans by purpose and year.

Community Development Lending										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2020	0	0	0	0	1	400	7	12,699	8	13,099
2021	0	0	0	0	0	0	3	3,285	3	3,285
2022	0	0	0	0	0	0	8	8,949	8	8,949
YTD 2023	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	1	400	18	24,933	19	25,333

Source: Bank Data.

The following table lists the bank’s CD loans by purpose and AA.

Community Development Lending by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Oklahoma City MSA AA	0	0	0	0	0	0	11	21,700	11	21,700
Oklahoma Non-MSA AA	0	0	0	0	1	400	3	1,204	4	1,604
Enid MSA AA	0	0	0	0	0	0	4	2,029	4	2,029
Total	0	0	0	0	1	400	18	24,933	19	25,333

Source: Bank Data.

Qualified Investments

The following table shows the bank made use of 14 QIs totaling over \$3.6 million. The total dollar volume equates to 0.4 percent of average total assets and 3.1 percent of average securities of \$116.4 million for the same period. These levels reflect a slight decrease from the 0.5 percent of average total assets and 5.1 percent of average total securities reported in the prior evaluation. The activities generally proved responsive to a variety of identified needs in the AAs. The following table illustrates the bank’s QIs by purpose and year.

Qualified Investments										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	0	0	1	385	1	1,100	1	875	3	2,360
2020	0	0	0	0	0	0	3	1,230	3	1,230
2021	0	0	0	0	0	0	0	0	0	0
2022	0	0	0	0	0	0	0	0	0	0
YTD 2023	0	0	0	0	0	0	0	0	0	0
Subtotal	0	0	1	385	1	1,100	4	2,105	6	3,590
Qualified Grants & Donations	0	0	8	26	0	0	0	0	8	26
Total	0	0	9	411	1	1,100	4	2,105	14	3,616

Source: Bank Data.

The following table lists the bank's QIs by purpose and AA.

Qualified Investments by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Oklahoma City MSA AA	0	0	0	0	0	0	3	1,605	3	1,605
Oklahoma Non-MSA AA	0	0	0	0	0	0	1	500	1	500
Enid MSA AA	0	0	1	385	1	1,100	0	0	2	1,485
Total	0	0	1	385	1	1,100	4	2,105	6	3,590

Source: Bank Data.

Community Development Services

The following table shows that the bank provided 49 CD services since the prior evaluation. The services involve bank personnel's use of their technical expertise to benefit organizations or projects in the AAs with a primary purpose of CD, as defined by the CRA regulation. This level reflects a notable decrease from the 74 CD services at the prior evaluation. The activities proved primarily responsive to community service activities, which represents an identified need in all AAs. The following table illustrate the bank's CD services by purpose and year.

Community Development Services					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2020	2	13	2	0	17
2021	2	13	2	0	17
2022	2	11	2	0	15
YTD 2023	0	0	0	0	0
Total	6	37	6	0	49
<i>Source: Bank Data.</i>					

The following table lists the bank's CD services by purpose and AA.

Community Development Services by Assessment Area					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
Oklahoma City MSA AA	0	28	3	0	31
Oklahoma Non-MSA AA	3	6	3	0	12
Enid MSA AA	3	1	0	0	4
Statewide Activities	0	2	0	0	2
Total	6	37	6	0	49
<i>Source: Bank Data.</i>					

The following lists an example of a CD service in the broader statewide area.

- **Community Services** – A bank employee serves as a director for a non-profit organization that provides funding for public services benefitting low- and moderate-income families in the broader statewide area.

Regarding the availability of services, the bank operates two branches and three non-deposit taking ATMs in moderate-income census tracts. In addition, the bank provides alternative delivery systems such as internet and mobile banking, remote deposit capture, and electronic bill pay that help avail the bank's services to low- and moderate-income individuals or geographies throughout the AAs.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The bank's compliance with the laws relating to discrimination and other illegal credit practices was reviewed, including the Fair Housing Act and the Equal Credit Opportunity Act. Examiners did not identify any discriminatory or other illegal credit practices.

OKLAHOMA CITY MSA AA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN OKLAHOMA CITY MSA AA

The Oklahoma City MSA AA consists of 141 of 266 census tracts in east central Oklahoma County, which represents one of seven counties that make up the Oklahoma City MSA located in central Oklahoma. The following table shows the bank’s branch and ATM distribution in this area.

Office Locations Oklahoma City MSA AA					
County/City/Office	Office Type	Census Tract Number	Census Tract Income Level	ATM	Office Opened or Closed Since Last Evaluation
Oklahoma County					
Oklahoma City – N Pennsylvania Ave	Main Office	1083.14	Moderate	Yes	No
Oklahoma City – N Western Ave	Branch	1065.03	Upper	Yes	Yes – Opened
Oklahoma City – Grand Blvd	Branch	1064.02	Upper	Yes	Yes – Closed
<i>Source: Bank data; 2020 U.S. Census Data.</i>					

Economic and Demographic Data

The area’s 141 census tracts reflect the following income designations based on the 2020 U.S. Census Data: 10 low-, 33 moderate-, 44 middle-, and 43 upper-income tracts as well as 11 tracts without an income designation. The following table illustrates select demographic characteristics for the Oklahoma City MSA AA.

Demographic Information of the Assessment Area Oklahoma City MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	141	7.1	23.4	31.2	30.5	7.8
Population by Geography	406,895	5.5	23.4	33.4	35.9	1.7
Housing Units by Geography	182,287	6.1	26.0	32.4	33.0	2.6
Owner-Occupied Units by Geography	93,999	3.6	18.8	33.9	41.7	1.9
Occupied Rental Units by Geography	69,356	8.3	33.8	30.8	24.0	3.1
Vacant Units by Geography	18,932	10.1	32.8	30.8	22.8	3.6
Businesses by Geography	86,157	4.6	22.7	29.0	40.9	2.8
Farms by Geography	1,715	4.4	26.9	28.8	38.4	1.5
Family Distribution by Income Level	94,477	20.2	18.5	18.5	42.8	0.0
Household Distribution by Income Level	163,355	23.8	17.1	17.9	41.2	0.0
Median Family Income - Oklahoma City, OK MSA	\$75,170	Median Housing Value Median Gross Rent Families Below Poverty Level				\$181,771 \$965 9.7%

Source: 2020 U.S. Census Data; 2022 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.*

Three FEMA disaster declarations affected Oklahoma County during the evaluation period: one due to the COVID-19 pandemic and two due to severe winter storms.

According to Moody Analytics, major employers in the AA include Tinker Air Force Base, University of Oklahoma, Integris Health, and FAA Mike Monroney Aeronautical Center. In the following table, data obtained from the U.S. Bureau of Labor Statistics reflects the year-end unemployment rate for Oklahoma County remains similar to the state and national averages.

Unemployment Rates			
Area	2020	2021	2022
	%	%	%
Oklahoma County	6.5	4.1	2.9
State of Oklahoma	6.2	3.9	3.0
National Average	6.8	4.2	3.6

Source: Bureau of Labor Statistics.

Competition

The Oklahoma City MSA AA contains a moderate level of competition from other chartered banks based on its population with 176 offices from 66 institutions serving 406,895 people. NBC Oklahoma ranks 17th in deposit market share by capturing 1.2 percent of the area’s deposits based on the June 30, 2022, FDIC Deposit Market Share Report.

Credit and Community Development Needs and Opportunities

Considering information obtained from bank management as well as demographic and economic information, examiners concluded that small business loans represent the area’s primary credit need. Regarding the area’s CD needs, the demographic data shows that 38.7 percent of the area’s families report low- and moderate-incomes and suggests a need for community services targeted to these families.

**CONCLUSIONS ON PERFORMANCE CRITERIA IN OKLAHOMA CITY
MSA AA**

LENDING TEST

NBC Oklahoma demonstrated a satisfactory record regarding the Lending Test in the Oklahoma City MSA AA. Reasonable records regarding borrower profile and geographic distribution support this conclusion.

Geographic Distribution

The geographic distribution of small business loans reflects reasonable dispersion throughout the Oklahoma City MSA AA. Reasonable performance in low- and moderate-income census tracts supports this conclusion. The following table shows that in low-income census tracts, the bank's lending falls 2.5 percentage points lower than the demographic data, thereby reflecting reasonable performance. The table further shows that in moderate-income tracts, the bank's level falls just 1.9 percentage points below demographic data, also reflecting reasonable performance.

Geographic Distribution of Small Business Loans Oklahoma City MSA AA					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	4.6	1	2.1	2	0.0
Moderate	22.7	10	20.8	1,790	18.7
Middle	29.0	17	35.4	2,630	27.4
Upper	40.9	18	37.5	4,777	49.8
Not Available	2.8	2	4.2	395	4.1
Total	100.0	48	100.0	9,594	100.0

Source: 2022 D&B Data; 2022 Bank Data. Due to rounding, totals may not equal 100.0.

Borrower Profile

The distribution of borrowers reflects reasonable penetration among businesses of different sizes in the Oklahoma City MSA AA. Reasonable performance to businesses with gross annual revenue of \$1 million or less supports this conclusion. The following table shows that in the Oklahoma City MSA AA, the bank originated nearly six out of every ten small business loans to businesses with gross annual revenue of \$1 million or less, thereby reflecting reasonable performance.

Distribution of Small Business Loans by Gross Annual Revenue Category Oklahoma City MSA AA					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
< \$100,000	72.4	6	12.5	420	4.4
\$100,000 - \$249,999	13.6	8	16.7	1,429	14.9
\$250,000 - \$499,999	3.4	3	6.3	364	3.8
\$500,000 - \$1,000,000	1.9	11	22.9	2,206	23.0
Subtotal ≤ \$1,000,000	91.3	28	58.4	4,419	46.1
> \$1,000,000	2.8	16	33.3	4,495	46.8
Revenue Not Available	5.9	4	8.3	680	7.1
Total	100.0	48	100.0	9,594	100.0

Source: 2022 D&B Data; 2022 Bank Data. Due to rounding, totals may not equal 100.0.

COMMUNITY DEVELOPMENT TEST

The institution demonstrated a satisfactory record regarding the Community Development Test in the Oklahoma City MSA AA. The institution's CD performance demonstrates adequate responsiveness to CD loans, QIs, and CD services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for CD in the AA.

Community Development Loans

As reflected in the table at the institution level, the bank originated 11 CD loans totaling \$21.7 million in the Oklahoma City MSA AA. This reflects fairly similar performance to the prior evaluation where the bank originated 15 CD loans totaling \$18.6 million in this AA. The current dollar amount equates to 85.7 percent of the institution's total CD loans compared to this area generating 77.4 percent of the bank's total loans.

The following point highlights an example of a CD loan benefitting the Oklahoma City MSA AA.

- ***Revitalize or Stabilize*** – The bank originated a loan to a company to build multi-family housing units in a moderate-income tract. Thus, the activity helps revitalize and stabilize qualifying geographies by retaining businesses and residents.

Qualified Investments

As reflected previously at the institution level, the bank made use of three QIs totaling \$1.6 million in the Oklahoma City MSA AA. At the prior evaluation, the bank made use of one QI totaling \$900,000 in this AA. The current dollar amount equates to 44.7 percent of the institution's total QIs compared to 62.3 percent of the bank's total deposits in this AA.

The following point highlights an example of a QI benefitting the Oklahoma City MSA AA.

- ***Revitalize or Stabilize*** – The bank made a \$500,000 investment for construction of a new information technology building in a moderate-income census tract. The activity helps revitalize and stabilize qualifying geographies by retaining businesses and residents.

Community Development Services

The table within institution level section shows that the bank provided 31 CD services in this AA. This level reflects a notable decrease over the 55 CD services in this AA at the prior evaluation. However, the current figure represents 63.3 percent of the bank's total CD services compared to the AA containing just 28.5 percent of the bank's total branches.

The following point highlights an example of a CD service benefitting the Oklahoma City MSA AA.

- **Community Services** – An officer of the bank serves an organization that provides free tuition, room, and board to the OK School of Science and Math for students of low- and moderate-income families.

The bank’s retail and alternative delivery systems help avail the bank’s services to low- and moderate-income individuals and geographies. The bank operates one branch and one ATM in a moderate-income census tract in this AA. Alternative delivery systems available throughout this AA remain consistent with those discussed previously at the institution level.

OKLAHOMA NON-MSA AA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN OKLAHOMA NON-MSA AA

The Oklahoma Non-MSA AA consists of five of eight census tracts in central Jackson County and two of four census tracts in east central Kingfisher County. Jackson County is located in southwestern Oklahoma and Kingfisher County is located in central Oklahoma. Although non-continuous, examiners did not identify any anomalies in the bank’s performance among each AA. Therefore, for presentation purposes, this evaluation presents the analysis for the combined non-MSA areas.

The following table shows the bank’s branch and ATM distribution in this AA.

Office Locations Oklahoma Non-MSA AA					
County/City/Office	Office Type	Census Tract Number	Census Tract Income Level	ATM	Office Opened or Closed Since Last Evaluation
<i>Jackson County</i>					
Altus AFB – N 1 st St & E Ave	Branch	9685.00	Middle	No	No
Altus – W Commerce	Branch	9687.00	Moderate	Yes	No
Altus – Sequoyah Ln	Branch	9684.00	Upper	Yes	No
<i>Kingfisher County</i>					
Kingfisher – S Main	Branch	9583.00	Middle	Yes	No

Source: Bank data; 2020 U.S. Census Data.

Economic and Demographic Data

The area’s seven census tracts reflect the following income designations based on the 2020 U.S. Census Data: three moderate-, two middle-, and two upper-income census tracts. The following table illustrates select demographic characteristics for the Oklahoma Non-MSA AA.

Demographic Information of the Assessment Area Oklahoma Non-MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	7	0.0	42.9	28.6	28.6	0.0
Population by Geography	27,246	0.0	32.0	38.6	29.3	0.0
Housing Units by Geography	12,405	0.0	38.6	33.0	28.4	0.0
Owner-Occupied Units by Geography	6,661	0.0	30.7	34.8	34.5	0.0
Occupied Rental Units by Geography	3,775	0.0	41.5	32.4	26.1	0.0
Vacant Units by Geography	1,969	0.0	59.7	28.0	12.3	0.0
Businesses by Geography	2,913	0.0	25.3	43.5	31.2	0.0
Farms by Geography	178	0.0	15.7	23.0	61.2	0.0
Family Distribution by Income Level	6,814	16.9	18.8	19.7	44.7	0.0
Household Distribution by Income Level	10,436	20.1	15.9	16.1	48.0	0.0
Median Family Income - OK Non-MSA		\$58,565	Median Housing Value Median Gross Rent Families Below Poverty Level			\$123,297 \$742 10.1%

*Source: 2020 U.S. Census Data; 2022 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.*

Three FEMA disaster declarations affected the counties in the AA during the evaluation period: one due to the COVID-19 pandemic and two due to severe winter storms.

According to Oklahoma Works, major employers in the AA include Altus Air Force Base, Bar-S Foods Co., Jackson County Memorial Hospital, and Pioneer Telephone Cooperative. In the following table, data obtained from the U.S. Bureau of Labor Statistics reflects the year-end unemployment rates for Jackson and Kingfisher counties fall well below the state and national averages.

Unemployment Rates			
Area	2020	2021	2022
	%	%	%
Jackson County	4.1	2.9	2.6
Kingfisher County	4.4	2.7	1.9
State of Oklahoma	6.2	3.9	3.0
National Average	6.8	4.2	3.6

Source: Bureau of Labor Statistics.

Competition

The Oklahoma Non-MSA AA contains a fairly high level of competition from other chartered banks based on its population with 16 offices from 11 institutions serving 27,246 people. NBC Oklahoma ranks 1st in deposit market share by capturing 17.2 percent of the area's deposits based on the June 30, 2022, FDIC Deposit Market Share Report.

Community Contact

Examiners contacted a community member knowledgeable of the area's economic and business environment to help assess the current economic conditions, community credit needs, and potential opportunities for bank involvement in the area. The contact described steady economic conditions for the area. The contact considered small business loans as the most pressing need in the area and noted that financial institutions appropriately respond to the area's credit needs.

Credit and Community Development Needs and Opportunities

Considering information obtained from the community contact, bank management, and demographic and economic information, examiners concluded that small business loans represent the area's primary credit need.

Regarding the area's CD needs, the community contact's comments suggest a need for economic development. In addition, the data shows that 35.7 percent of the area's families report low- and moderate-incomes suggests an additional need for community services targeted to these families. Finally, the large volume of census tracts designated moderate-income also suggests a need for activities that revitalize or stabilize these areas.

CONCLUSIONS ON PERFORMANCE CRITERIA IN OKLAHOMA NON-MSA AA

LENDING TEST

NBC Oklahoma demonstrated a satisfactory record regarding the Lending Test in the Oklahoma Non-MSA AA. A reasonable record regarding borrower profile outweighs a poor record regarding geographic distribution to support this conclusion.

Geographic Distribution

The geographic distribution of small business loans reflects poor dispersion throughout the Oklahoma Non-MSA AA. Poor performance in moderate-income census tracts supports this conclusion. The following table shows that in moderate-income census tracts, the bank's lending falls below demographic data by 14.2 percentage points, reflecting poor performance.

Geographic Distribution of Small Business Loans Oklahoma Non-MSA AA					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	0.0	0	0.0	0	0.0
Moderate	25.3	4	11.1	911	34.5
Middle	43.5	17	47.2	385	14.6
Upper	31.2	15	41.7	1,344	50.9
Not Available	0.0	0	0.0	0	0.0
Total	100.0	36	100.0	2,640	100.0

Source: 2022 D&B Data; 2022 Bank Data. Due to rounding, totals may not equal 100.0.

Borrower Profile

The distribution of borrowers reflects reasonable penetration among businesses of different sizes in the Oklahoma Non-MSA AA. Reasonable performance to businesses with gross annual revenue of \$1 million or less supports this conclusion. The following table shows the bank originated more than eight out of every ten loans to businesses with gross annual revenue of \$1 million or less, thereby reflecting reasonable performance.

Distribution of Small Business Loans by Gross Annual Revenue Category Oklahoma Non-MSA AA					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
< \$100,000	61.6	15	41.7	142	5.4
\$100,000 - \$249,999	15.4	11	30.6	357	13.5
\$250,000 - \$499,999	4.2	3	8.3	99	3.8
\$500,000 - \$1,000,000	2.6	3	8.3	108	4.1
Subtotal ≤ \$1,000,000	83.8	32	88.9	706	26.8
> \$1,000,000	3.2	4	11.1	1,934	73.2
Revenue Not Available	12.9	0	0.0	0	0.0
Total	100.0	36	100.0	2,640	100.0

Source: 2022 D&B Data; 2022 Bank Data. Due to rounding, totals may not equal 100.0.

COMMUNITY DEVELOPMENT TEST

The institution demonstrated a satisfactory record regarding the Community Development Test in the Oklahoma Non-MSA AA. The institution's CD performance demonstrates adequate responsiveness to CD loans, QIs, and CD services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for CD in the AA.

Community Development Loans

As reflected in the table at the institution level, the bank originated four CD loans totaling \$1.6 million in the Oklahoma Non-MSA AA. At the prior evaluation, the bank originated three CD loans totaling \$4.3 million in this AA. The current dollar amount equates to 6.3 percent of the institution's total CD loans compared to this area generating 16.5 percent of the bank's total loans.

The following point highlights an example of a CD loan benefitting the Oklahoma Non-MSA AA.

- ***Economic Development*** – The bank originated a loan for \$400,000 to provide funds for a Public Finance Authority in the Oklahoma Non-MSA AA in a moderate-income tract. The Finance Authority supports economic development efforts and assists in creating permanent jobs, affordable housing, and community infrastructure.

Qualified Investments

As reflected previously at the institution level, the bank made use of one QI totaling \$500,000 in the Oklahoma Non-MSA AA. At the prior evaluation, the bank made use of two QIs totaling \$1.0 million in this AA. The current dollar amount equates to 13.9 percent of the institution's total QIs compared to 29.8 percent of the bank's total deposits in the AA.

The following point highlights the QI benefitting the Oklahoma Non-MSA AA.

- ***Revitalize or Stabilize*** – The bank made a \$500,000 investment in a municipal power authority that is located in and services a moderate-income census tract. Thus, the activity supports essential infrastructure and helps revitalize and stabilize qualifying geographies by retaining businesses and residents.

Community Development Services

The table at the institution level section shows that the bank provided 12 CD services in this AA. This level remains similar to the 14 CD services in this AA at the prior evaluation. The current figure represents 24.5 percent of the bank's total CD services compared to the AA containing 57.1 of the bank's total branches.

The following point highlights an example of a CD service benefitting the Oklahoma Non-MSA AA.

- ***Economic Development*** – An employee serves as a Board member of an organization that provides technical assistance, financing, and resources to new and existing small businesses in rural Oklahoma. The organization helps create permanent jobs for low- or moderate-income persons by providing technical assistance and incubation for new and recently formed small businesses.

The bank’s retail and alternative delivery systems help avail the bank’s services to low- and moderate-income individuals and geographies. The bank operates one branch and two ATMs in moderate-income census tracts in this AA. Alternative delivery systems available throughout this AA remain consistent with those discussed previously at the institution level.

ENID MSA AA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN ENID MSA AA

The Enid MSA AA consists of 15 of 17 census tracts in northern Garfield County, which represents the sole county that makes up the Enid MSA located in north central Oklahoma. The following table shows the bank’s branch and ATM distribution in this area.

Office Locations Enid MSA AA					
County/City/Office	Office Type	Census Tract Number	Census Tract Income Level	ATM	Office Opened or Closed Since Last Evaluation
<i>Garfield County</i> Enid – W Owen K. Garriott Rd.	Branch	0014.02	Middle	Yes	No
<i>Source: Bank data; 2020 U.S. Census Data.</i>					

Economic and Demographic Data

The area’s 15 census tracts reflect the following income designations based on the 2020 U.S. Census Data: one low-, two moderate-, eight middle-, and four upper-income census tracts. The following table illustrates select demographic characteristics for the Enid MSA AA.

Demographic Information of the Assessment Area Enid MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	15	6.7	13.3	53.3	26.7	0.0
Population by Geography	55,387	5.8	11.4	56.7	26.1	0.0
Housing Units by Geography	23,648	7.2	11.7	54.6	26.5	0.0
Owner-Occupied Units by Geography	13,266	3.8	9.0	54.7	32.6	0.0
Occupied Rental Units by Geography	7,669	12.4	15.2	52.1	20.3	0.0
Vacant Units by Geography	2,713	9.3	15.6	61.2	14.0	0.0
Businesses by Geography	5,572	1.3	7.8	62.0	29.0	0.0
Farms by Geography	243	0.4	4.1	60.5	35.0	0.0
Family Distribution by Income Level	13,318	23.5	15.3	21.8	39.4	0.0
Household Distribution by Income Level	20,935	25.9	15.0	20.7	38.4	0.0
Median Family Income MSA - Enid, OK MSA		\$65,663	Median Housing Value Median Gross Rent Families Below Poverty Level			\$119,048 \$833 13.3%

Source: 2020 U.S. Census Data; 2022 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.

Three FEMA disaster declarations affected Garfield County during the evaluation period: one due to the COVID-19 pandemic and two due to severe winter storms.

According to the Enid Regional Development Alliance, major employers in the MSA include Tyson Foods, Vance Air Force Base, and INTEGRIS Bass Baptist Health Center. In the following table, data obtained from the U.S. Bureau of Labor Statistics reflects the year-end unemployment rate for Garfield County fell slightly below the state and national averages.

Unemployment Rates			
Area	2020	2021	2022
	%	%	%
Garfield County	5.5	3.5	2.8
State of Oklahoma	6.2	3.9	3.0
National Average	6.8	4.2	3.6

Source: Bureau of Labor Statistics.

Competition

The Enid MSA AA contains a relatively low level of competition from other chartered banks based on its population with 17 offices from 12 institutions serving 55,387 people. NBC Oklahoma ranks 6th in deposit market share by capturing 3.5 percent of the area’s deposits based on the June 30, 2022, FDIC Deposit Market Share Report.

Community Contact

Examiners contacted a community member knowledgeable of the area's economic and business environment. The contact described improving economic conditions for the area. The contact considered affordable housing as the most pressing need in the area and noted that financial institutions appropriately respond to the area's credit needs.

Credit and Community Development Needs and Opportunities

Considering information obtained from the community contact, bank management, and demographic and economic information, examiners concluded the area's primary credit needs include small business and home mortgage loans.

Regarding the area's CD needs, the community contact's comments suggest a high need for affordable housing. In addition, the demographic data shows that 38.8 percent of the area's families report low- and moderate-incomes suggests an additional need for community services targeted to these families.

CONCLUSIONS ON PERFORMANCE CRITERIA IN ENID MSA AA

LENDING TEST

NBC Oklahoma demonstrated a satisfactory record regarding the Lending Test in the Enid MSA AA. A reasonable record regarding borrower profile outweighs a poor record regarding geographic distribution to support this conclusion.

Geographic Distribution

The geographic distribution of small business loans reflects poor dispersion throughout the Enid MSA AA. Poor performance in moderate-income census tracts supports this conclusion. The following table shows that although the bank did not originate any small business loans in low-income census tracts, this reflects a reasonable level considering only 1.3 percent of businesses are located in these tracts. The table further shows that in moderate-income census tracts, the bank's lack of lending falls below demographic data by 7.8 percentage points, which evidences poor performance.

Geographic Distribution of Small Business Loans Enid MSA AA					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	1.3	0	0.0	0	0.0
Moderate	7.8	0	0.0	0	0.0
Middle	62.0	8	66.7	778	85.0
Upper	29.0	4	33.3	137	15.0
Not Available	0.0	0	0.0	0	0.0
Total	100.0	12	100.0	915	100.0

Source: 2022 D&B Data; 2022 Bank Data. Due to rounding, totals may not equal 100.0.

Borrower Profile

The distribution of borrowers reflects reasonable penetration among businesses of different sizes in the Enid MSA AA. Reasonable performance to businesses with gross annual revenue of \$1 million or less supports this conclusion. The following table shows that the bank originated eight out of every ten small business loans to businesses with gross annual revenue of \$1 million or less, thereby reflecting reasonable performance.

Distribution of Small Business Loans by Gross Annual Revenue Category Enid MSA AA					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
< \$100,000	62.7	4	33.3	231	25.3
\$100,000 - \$249,999	15.9	3	25.0	111	12.2
\$250,000 - \$499,999	4.8	2	16.7	56	6.1
\$500,000 - \$1,000,000	3.1	1	8.3	75	8.2
Subtotal ≤ \$1,000,000	86.5	10	83.3	473	51.8
> \$1,000,000	3.6	2	16.7	442	48.2
Revenue Not Available	9.9	0	0.0	0	0.0
Total	100.0	12	100.0	915	100.0

Source: 2022 D&B Data; 2022 Bank Data. Due to rounding, totals may not equal 100.0.

COMMUNITY DEVELOPMENT TEST

The institution demonstrated a satisfactory record regarding the Community Development Test in the Enid MSA AA. The institution's CD performance demonstrates adequate responsiveness to CD loans, QIs, and CD services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for CD in the AA.

Community Development Loans

As reflected in the table at the institution level, the bank originated four CD loans totaling \$2.0 million in the Enid MSA AA. At the prior evaluation, the bank originated three CD loans totaling \$4.3 million in this AA. The current dollar amount equates to 8.0 percent of the institution's total CD loans compared to this area generating 6.1 percent of the bank's total loans.

The following point highlights an example of a CD loan benefitting the Enid MSA AA.

- ***Revitalize or Stabilize*** – The bank originated a loan to a company to remodel a commercial building in a moderate-income census tract. Thus, the activity helps revitalize and stabilize qualifying geographies by retaining businesses and residents.

Qualified Investments

As reflected previously at the institution level, the bank made use of two QIs totaling \$1.5 million in the Enid MSA AA. This reflects a similar level to the prior evaluation where the bank made use of three QIs totaling \$1.9 million in this AA. The current dollar amount equates to 41.4 percent of the institution's total QIs despite this AA only containing 7.9 percent of the bank's total deposits.

The following point highlights an example of a QI benefitting the Enid MSA AA.

- ***Community Services*** – The bank made a \$385,000 investment in a school district located in a moderate-income census tract. As a result, the activity promotes community services related to education primarily for low- and moderate-income individuals.

Community Development Services

The table at the institution level section shows that the bank provided four CD services in this AA. This level reflects a slight increase over the two CD services in this AA at the prior evaluation. The current figure represents 8.2 percent of the bank's total CD services compared to the AA containing 14.3 percent of the bank's total branches.

The following point highlights an example of a CD service benefitting the Enid MSA AA.

- ***Affordable Housing***– An employee of the bank serves as the Vice Chairman of an organization that provides housing services and resources to homeless individuals and families. The employee assists in making financial decisions for the organization.

Alternative delivery systems available throughout this AA remain consistent with those discussed previously at the institution level.

APPENDICES

INTERMEDIATE SMALL BANK PERFORMANCE CRITERIA

Lending Test

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

- 1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
- 2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
- 3) The geographic distribution of the bank's loans;
- 4) The bank's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; and
- 5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

Community Development Test

The Community Development Test considers the following criteria:

- 1) The number and amount of community development loans;
- 2) The number and amount of qualified investments;
- 3) The extent to which the bank provides community development services; and
- 4) The bank's responsiveness through such activities to community development lending, investment, and service needs.

GLOSSARY

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

American Community Survey (ACS): A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

Combined Statistical Area (CSA): A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

Community Development: For loans, investments, and services to qualify as community development activities, their primary purpose must:

- (1) Support affordable housing for low- and moderate-income individuals;
- (2) Target community services toward low- and moderate-income individuals;
- (3) Promote economic development by financing small businesses or farms; or
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type of investments in community development projects. Institution CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Institution CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

Community Development Loan: A loan that:

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose institution:
 - (i) Has not been reported or collected by the institution or an affiliate for consideration in the institution's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
 - (ii) Benefits the institution's assessment area(s) or a broader statewide or regional area including the institution's assessment area(s).

Community Development Service: A service that:

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the institution's retail banking services under § 345.24(d).

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, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Core Based Statistical Area (CBSA): The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

Distressed Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

- (1) An unemployment rate of at least 1.5 times the national average;
- (2) A poverty rate of 20 percent or more; or
- (3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

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. Other family 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).

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g, geographic distribution, borrower profile, 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 do 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; and the disposition of the application (approved, denied, and withdrawn).

Home Mortgage Loans: Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Limited-Scope Review: A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area.

Performance under applicable tests is often analyzed using only quantitative factors (e.g, geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

Low Income Housing Tax Credit: The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

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 metropolitan area/assessment area.

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities 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 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 and less than 80 percent in the case of a geography.

Multi-family: Refers to a residential structure that contains five or more units.

Nonmetropolitan Area (also known as **non-MSA**): All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

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 lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated Area: A rated area is a state or multistate metropolitan 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 area, the institution will receive a rating for the multistate metropolitan area.

Rural Area: Territories, populations, and housing units that are not classified as urban.

Small Business Investment Company (SBIC): SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

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

Small Farm Loan: 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, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

Underserved Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating the area’s population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

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

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

“Urban” excludes the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.