



PUBLIC DISCLOSURE

September 20, 2021

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Blue Sky Bank
RSSD# 517357

101 East 8th Street
Pawhuska, Oklahoma 74056

Federal Reserve Bank of Kansas City
1 Memorial Drive
Kansas City, Missouri 64198

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, 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.

TABLE OF CONTENTS

Institution’s Community Reinvestment Act Rating.....2
Scope of Examination2
Description of Institution.....2
Conclusions with Respect to Performance Criteria3
Fair Lending or Other Illegal Credit Practices Review.....4

Tulsa Metropolitan Assessment Area (Full-Scope Review)5
 Description of Institution’s Operations5
 Conclusions with Respect to Performance Criteria7

Payne County Assessment Area (Limited-Scope Review)10
 Description of Institution’s Operations10
 Conclusions with Respect to Performance Criteria10

Appendix A – Maps of the Assessment Areas11

Appendix B – Demographic Information and Limited-Scope AA Lending Tables.....13

Appendix C – Glossary16

INSTITUTION'S COMMUNITY REINVESTMENT ACT RATING

Blue Sky Bank (the bank) is rated Satisfactory. This rating is based on the following conclusions with respect to the performance criteria:

- The bank's net loan-to-deposit ratio (NLTD) is reasonable given the bank's size, financial condition, and the credit needs of the assessment areas (AAs).
- A majority of the bank's loans are originated inside the AAs.
- The geographic distribution of loans reflects a reasonable dispersion throughout the bank's AAs.
- Lending reflects a reasonable penetration among businesses of different sizes.
- Neither the bank nor the Federal Reserve Bank of Kansas City received any Community Reinvestment Act (CRA)-related complaints since the previous evaluation.

SCOPE OF EXAMINATION

The Federal Financial Institutions Examination Council's (FFIEC's) *Interagency Examination Procedures for Small Institutions* were utilized to evaluate the bank's CRA performance. The evaluation considered CRA performance context, including the bank's asset size, financial condition, business strategy and market competition, as well as AA demographic and economic characteristics and credit needs. Based on the bank's physical operations and level of lending activity, a full-scope review of the bank's lending performance was conducted for the Tulsa Metropolitan AA. A limited-scope review was conducted for the Payne County AA. The following data was reviewed:

- The bank's 17-quarter average NLTD ratio,
- A statistical sample of 104 commercial loans selected from a universe of 212 loans originated from January 1, 2020 through December 31, 2020.

DESCRIPTION OF INSTITUTION

The bank is a community bank headquartered in Pawhuska, Oklahoma. The bank's characteristics include:

- The bank is a wholly owned subsidiary of N.B.C. Bancshares in Pawhuska, Inc.
- The bank has total assets of \$469.5 million as of March 31, 2021.
- In addition to its main office in Pawhuska, the bank has five additional offices located in Cleveland, Cushing, and Tulsa, Oklahoma.
- The two Cushing branches were acquired since the prior examination and are located in Payne County.
- Additionally, the bank opened a branch in San Antonio, Texas, on January 20, 2021. Review of the San Antonio Metropolitan AA was not conducted at this evaluation, however, since only 2020 lending data was reviewed for this evaluation.

- The bank operates two full-service automated teller machines (ATMs); the remaining six ATMs are cash-dispensing only.
- The bank’s primary business focus is commercial lending.

TABLE 1 COMPOSITION OF LOAN PORTFOLIO AS OF MARCH 31, 2021		
Loan Type	\$(000)	%
Commercial	311,881	87.6
Agricultural	20,800	5.8
Residential Real Estate	18,312	5.1
Consumer	4,428	1.2
Other	776	0.2
Gross Loans	356,197	100.0
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>		

The bank was rated Satisfactory under the CRA at its June 5, 2017 performance evaluation. There are no known legal, financial, or other factors impeding the bank’s ability to help meet the credit needs in its communities.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Net Loan-to-Deposit Ratio

This performance criterion evaluates the bank’s average NLTD ratio to determine the reasonableness of lending in light of performance context, such as the bank’s capacity to lend, the availability of lending opportunities, the demographic and economic factors present in the AAs, and in comparison to similarly situated Federal Deposit Insurance Corporation (FDIC)-insured institutions. The similarly situated institutions were selected based on product offerings, asset size, and location within the bank’s AAs. The bank’s NLTD ratio is reasonable as it is within the range of NLTD ratios of the similarly situated institutions.

TABLE 2 COMPARATIVE NLTD RATIOS			
Institution	Location	Asset Size (\$000s)	NLTD Ratio (%)
			17 Quarter Average
Blue Sky Bank	Pawhuska, Oklahoma	469,471	91.1
American Bank and Trust Company	Tulsa, Oklahoma	338,308	55.5
First National Bank and Trust Company of Weatherford	Weatherford, Oklahoma	310,459	89.6
First Bank of Owasso	Owasso, Oklahoma	575,145	98.3

Assessment Area Concentration

This performance criterion evaluates the percentage of lending extended inside and outside of the bank’s AAs. A majority of the bank’s loans, by number and dollar, are originated inside the AAs. Although a majority of the bank’s lending was inside the AAs, a majority of the lending extended outside the AAs, by dollar volume, was due to the bank’s participation in the Small Business Administration’s Paycheck Protection Program (PPP) to facilitate loans to businesses in the surrounding areas.

TABLE 3 LENDING INSIDE AND OUTSIDE THE AAs								
Loan Type	Inside				Outside			
	#	\$(000)	#%	\$%	#	\$(000)	#%	\$%
Small Business Loans	81	10,090	77.9	56.0	23	7,929	22.1	44.0
Total Loans	81	10,090	77.9	56.0	23	7,929	22.1	44.0

Note: Percentages may not add to 100.0 percent due to rounding.

Geographic Distribution of Loans

This performance criterion evaluates the bank’s distribution of lending within its AAs by income level of census tracts. The bank’s geographic distribution of loans reflects reasonable dispersion throughout the AAs. In the Tulsa Metropolitan AA, the distribution of loans by income level of census tracts was reasonable. The bank’s lending performance in the Payne County AA was below the bank’s performance in the Tulsa Metropolitan AA, but the bank’s overall performance was not impacted.

Lending to Businesses of Different Sizes

This performance criterion evaluates the bank’s lending to businesses of different revenue sizes. The bank’s overall lending has a reasonable penetration among businesses of different sizes. The bank’s lending performance in the Tulsa Metropolitan AA was reasonable. The bank’s lending performance in the Payne County AA was consistent with the bank’s performance in the Tulsa Metropolitan AA.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

An evaluation of the bank’s fair lending activities was conducted during the examination to determine compliance with the substantive provisions of antidiscrimination laws and regulations, including the Equal Credit Opportunity Act and the Fair Housing Act. No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

**TULSA METROPOLITAN ASSESSMENT AREA
METROPOLITAN AREA
(Full-Scope Review)**

DESCRIPTION OF THE INSTITUTION’S OPERATIONS IN TULSA METROPOLITAN AA

The bank’s Tulsa Metropolitan AA is comprised of Creek, Osage, Pawnee, and Tulsa Counties in their entireties (see Appendix A for an AA map). These counties are four of the seven counties within the Tulsa, Oklahoma Metropolitan Statistical Area (MSA).

- The AA consists of 17 low-, 64 moderate-, 77 middle-, and 54 upper-income census tracts. Although the number of census tracts remains the same at 212, at the prior evaluation, the AA consisted of 19 low-, 65 moderate-, 71 middle-, and 57 upper-income census tracts.
- In addition to its main office in Pawhuska, the bank operates two branches in Tulsa and one branch in Cleveland, Oklahoma.
- The bank operates a standalone full-service ATM in Drumright, Oklahoma, as well as a full-service ATM at the Tulsa Boxyard Branch. Cash-dispensing ATMs are located at the main office, the Cleveland Branch, and the Tulsa 41st Street Branch.
- Based on the June 30, 2021 FDIC Deposit Market Share Report, the bank’s AA deposit market share, at 0.8 percent, ranks 23rd of 53 FDIC-insured depository institutions operating in this AA.
- Two interviews with members of the community within the bank’s AA were used to ascertain the credit needs of the community, the responsiveness of area banks in meeting those credit needs, and the local economic conditions. The community members represented organizations focused on economic development.

**TABLE 4
POPULATION CHANGE**

Area	2010 Population	2015 Population	Percent Change
Tulsa Metropolitan AA	737,419	758,649	2.9
Creek County	69,967	70,761	1.1
Osage County	47,472	48,054	1.2
Pawnee County	16,577	16,499	(0.5)
Tulsa County	603,403	623,335	3.3
Tulsa MSA	937,478	962,676	2.7
State of Oklahoma	3,751,351	3,849,733	2.6

Source: 2010 U.S. Census Bureau Decennial Census
2011-2015 U.S. Census Bureau: American Community Survey

- The AA’s population at 758,649 accounted for 78.8 percent of the total Tulsa MSA population. Main population centers within the Tulsa Metropolitan AA include the city of Tulsa (413,066 residents), Broken Arrow (113,540 residents) and Owasso (38,240 residents).

**TABLE 5
MEDIAN FAMILY INCOME CHANGE**

Area	2010 Median Family Income	2015 Median Family Income	Percent Change
Tulsa Metropolitan AA	62,187	60,708	(2.4)
Creek County	55,800	54,639	(2.1)
Osage County	55,854	57,170	2.4
Pawnee County	50,963	54,398	6.7
Tulsa County	64,052	61,809	(3.5)
Tulsa MSA	63,201	61,182	(3.2)
State of Oklahoma	58,375	58,029	(0.6)

Source: 2006-2010 U.S. Census Bureau: American Community Survey
2011-2015 U.S. Census Bureau: American Community Survey
Note: Median family incomes have been inflation-adjusted and are expressed in 2015 dollars.

- In addition, 12.1 percent of families in the AA were living below the poverty line. Tulsa County had the highest percentage of families below the poverty line at 12.3 percent.
- Approximately 39.7 percent of families in the AA were low- and moderate-income (LMI), which is consistent with the MSA and statewide figures at 39.2 percent.

**TABLE 6
HOUSING COSTS CHANGE**

Area	Median Housing Value		Percent Change	Median Gross Rent		Percent Change
	2010	2015		2010	2015	
Tulsa Metropolitan AA	120,771	130,661	8.2	678	764	12.7
Creek County	100,600	105,000	4.4	621	689	11.0
Osage County	96,100	100,000	4.1	519	628	21.0
Pawnee County	78,100	85,100	9.0	558	644	15.4
Tulsa County	126,200	138,500	9.7	689	774	12.3
Tulsa MSA	121,879	131,392	7.8	676	759	12.3
State of Oklahoma	104,300	117,900	13.0	633	727	14.8

Source: 2006-2010 U.S. Census Bureau: American Community Survey
2011-2015 U.S. Census Bureau: American Community Survey

- The AA had 333,960 total housing units; 55.5 percent were owner-occupied, 33.4 percent were rental units, and 11.1 percent were vacant.
- Additionally, the median housing value in the AA of \$130,661 is consistent with the MSA figure value of \$131,392, and above the statewide figure of \$117,900.

**TABLE 7
UNEMPLOYMENT RATES**

Region	2016	2017	2018	2019	2020
Tulsa Metropolitan AA	4.7	4.2	3.3	3.1	6.6
Creek County	5.6	4.7	3.7	3.5	6.5
Osage County	5.6	4.9	4.1	3.6	6.4
Pawnee County	6.4	5.1	4.0	3.7	6.5
Tulsa County	4.5	4.0	3.2	3.0	6.6
Tulsa MSA	4.8	4.2	3.3	3.1	6.4
State of Oklahoma	4.6	4.0	3.3	3.1	6.1

Source: Bureau of Labor Statistics: Local Area Unemployment Statistics

- The labor force participation rate in Creek, Osage, and Pawnee Counties ranges from 54.3 percent to 56.8 percent and is lower when compared to Tulsa County at 67.3 percent. A community member advised that Coronavirus Disease 2019 significantly impacted small businesses in the area and many small businesses ceased operations.
- Major employers in the AA include municipal and federal organizations such as the City of Tulsa, Tulsa County, and the U.S. Postal Service. Additionally, aviation and aerospace related organizations including the American Airlines Maintenance Base, Nordam Group, and Spirit Aerosystems, employ a substantial number of individuals working within the AA.
- Lastly, educational institutions and health care related organizations, such as the public school system, the University of Tulsa, Ascension St. John Medical Center, and OSU Medical Center, provide employment opportunities within the AA.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA IN THE TULSA METROPOLITAN AA

Geographic Distribution of Loans

The bank’s geographic distribution of loans within the Tulsa Metropolitan AA reflects reasonable distribution among the different census tracts within the AA.

The geographic distribution of small business lending is reasonable. The bank’s lending performance in the low-income census tracts is above the percentage of total businesses operating within the low-income census tracts. Additionally, the bank’s lending performance in the moderate-income census tracts is comparable to the percentage of total businesses operating within the moderate-income census tracts. Loan dispersion for small business lending was evaluated, and some gaps were identified in LMI census tracts located within the city of Tulsa. However, loan dispersion is acceptable given the presence of financial institutions serving the credit needs of those areas, and the distance of the bank’s branches from these areas.

**TABLE 8
DISTRIBUTION OF 2020 SMALL BUSINESS LENDING
BY INCOME LEVEL OF GEOGRAPHY
TULSA METROPOLITAN AA**

Census Tract Income Level	Bank Loans				% of Businesses
	#	\$(000)	#%	\$%	
Low	4	903	5.8	9.4	3.6
Moderate	18	2,913	26.1	30.2	22.8
Middle	27	2,500	39.1	25.9	38.1
Upper	20	3,326	29.0	34.5	35.6
Unknown	0	0	0.0	0.0	0.0
Not Reported	0	0	0.0	0.0	0.0

*Source: 2020 FFIEC Census Data
2020 Dun & Bradstreet Data
2011 – 2015 U.S. Census Bureau: American Community Survey*
NOTE: Percentages may not add up to 100.0 due to rounding.

Lending to Businesses of Different Sizes

The borrower distribution of small business lending is reasonable. The bank’s lending to businesses with gross annual revenues of \$1 million or less is comparable to the percentage of total small businesses operating in the AA. A community contact stated that many entrepreneurs starting small businesses in the Tulsa area are unaware of the requirements for successfully obtaining a start-up business loan, as well as loans of higher amounts.

Additionally, the bank participated in the PPP and a majority of the loans with income identified as “not known” were confirmed to be PPP loans. The PPP did not require applicants to provide revenue information. Given the significant financial support of existing businesses to maintain viability that resulted from the PPP, the bank’s participation in the program demonstrates its responsiveness to the credit needs of businesses in the area.

**TABLE 9
DISTRIBUTION OF 2020 SMALL BUSINESS LENDING
BY REVENUE SIZE OF BUSINESSES
TULSA METROPOLITAN AA**

	Bank Loans				Total Businesses
	#	\$(000)	#%	\$%	%
By Revenue					
\$1 Million or Less	45	5,057	65.2	52.4	90.8
Over \$1 Million	15	4,203	21.7	43.6	8.4
Not Known	9	382	13.0	4.0	0.8
Total	69	9,642	100.0	100.0	100.0
By Loan Size					
\$100,000 or less	44	2,040	63.8	21.2	
\$100,001 – \$250,000	14	2,357	20.3	24.4	
\$250,001 – \$1 Million	11	5,245	15.9	54.4	
Total	69	9,642	100.0	100.0	
By Loan Size and Revenue \$1 Million or Less					
\$100,000 or less	31	1,374	68.9	27.2	
\$100,001 – \$250,000	9	1,433	20.0	28.3	
\$250,001 – \$1 Million	5	2,251	11.1	44.5	
Total	45	5,057	100.0	100.0	
<p>Source: 2020 FFIEC Census Data 2020 Dun & Bradstreet Data 2011 – 2015 U.S. Census Bureau: American Community Survey</p> <p>NOTE: Percentages may not add up to 100.0 due to rounding.</p>					

**PAYNE COUNTY ASSESSMENT AREA
NONMETROPOLITAN AREA
(Limited-Scope Review)**

DESCRIPTION OF THE INSTITUTION'S OPERATIONS IN PAYNE COUNTY AA

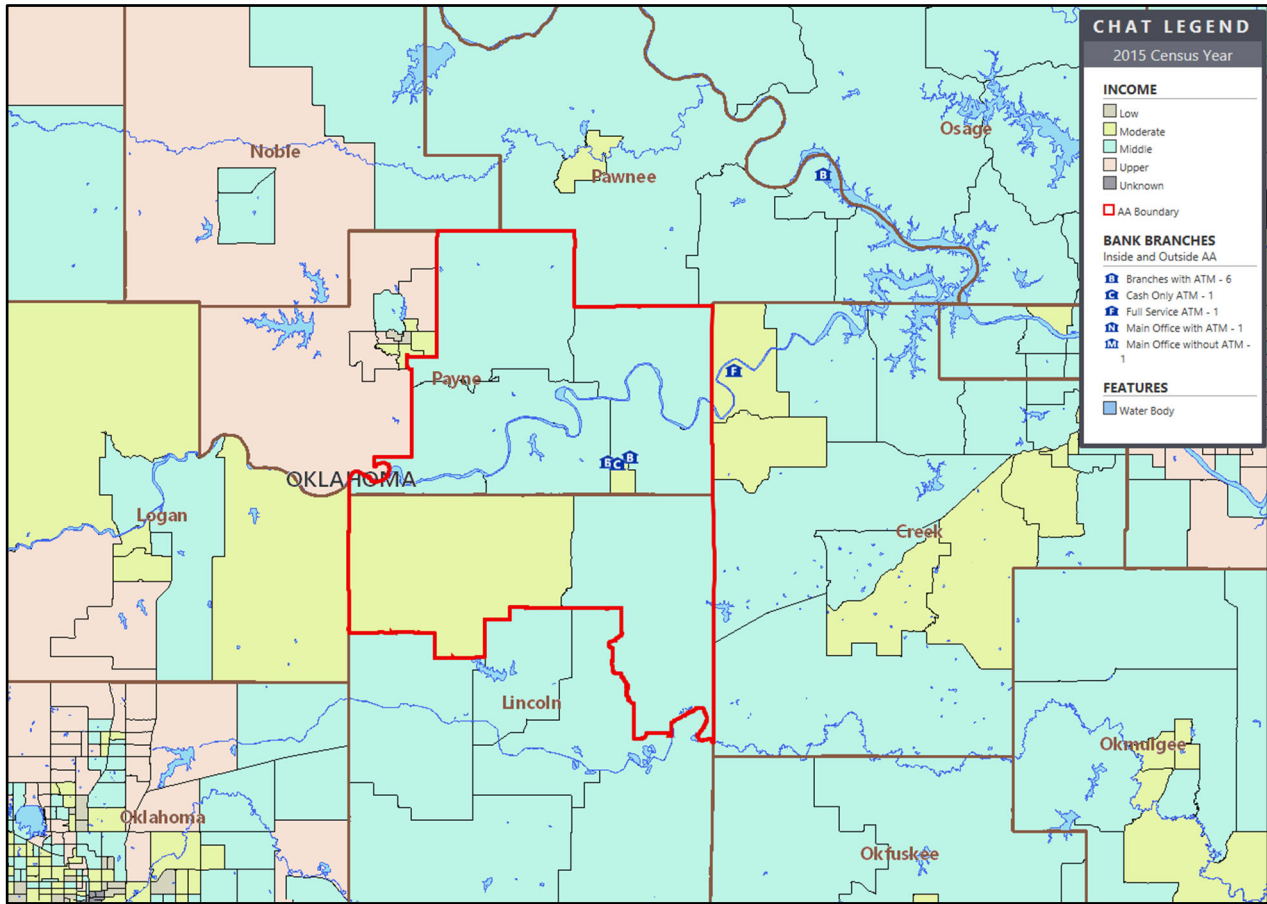
The bank's Payne County AA includes six tracts in Payne County, which are located to the east of Stillwater, Oklahoma, and two tracts in northern Lincoln County, Oklahoma. The AA is comprised of two moderate- and six middle-income census tracts. The Payne County AA is a new AA delineation since the previous evaluation and was added as a result of the acquisition of the Bank of Cushing and its two branch locations.

The bank operates two full-service branches and three cash-dispensing ATMs in Cushing, Oklahoma. According to the June 30, 2021 FDIC Deposit Market Share Report, the bank ranked 7th of 18 FDIC-insured institutions operating in this area with 4.3 percent market share. According to the 2015 American Community Survey, the AA population is 34,901.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA IN PAYNE COUNTY AA

The bank's lending performance in the Payne County AA was reviewed using the limited-scope examination procedures. The bank's lending performance in the Payne County AA is below the bank's lending performance in the Tulsa Metropolitan AA; however, it does not change the rating for the institution. The conclusions for this AA were based on 12 small business loans; the lending tables for this AA are included in Appendix B.

Payne County AA



APPENDIX B – DEMOGRAPHIC & LIMITED-SCOPE AA LENDING TABLES

TABLE B-1 TULSA METROPOLITAN AA DEMOGRAPHICS								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	17	8.0	10,765	5.6	4,413	41.0	42,956	22.3
Moderate	64	30.2	47,429	24.7	9,512	20.1	33,472	17.4
Middle	77	36.3	75,553	39.3	6,999	9.3	38,416	20.0
Upper	54	25.5	58,583	30.5	2,349	4.0	77,486	40.3
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	212	100.0	192,330	100.0	23,273	12.1	192,330	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	22,903	6,671	3.6	29.1	12,302	53.7	3,930	17.2
Moderate	92,243	38,374	20.7	41.6	40,798	44.2	13,071	14.2
Middle	130,580	77,690	41.9	59.5	39,097	29.9	13,793	10.6
Upper	88,234	62,699	33.8	71.1	19,202	21.8	6,333	7.2
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	333,960	185,434	100.0	55.5	111,399	33.4	37,127	11.1
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	1,572	3.6	1,357	3.4	202	5.5	13	3.6
Moderate	10,074	22.8	8,828	22.0	1,166	31.5	80	22.4
Middle	16,825	38.1	15,226	37.9	1,463	39.5	136	38.1
Upper	15,709	35.6	14,711	36.7	870	23.5	128	35.9
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	44,180	100.0	40,122	100.0	3,701	100.0	357	100.0
Percentage of Total Businesses:					90.8		8.4	
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	8	1.5	7	1.4	1	14.3	0	0.0
Moderate	70	13.3	70	13.5	0	0.0	0	0.0
Middle	266	50.6	263	50.9	3	42.9	0	0.0
Upper	182	34.6	177	34.2	3	42.9	2	100.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	526	100.0	517	100.0	7	100.0	2	100.0
Percentage of Total Farms:					98.3		1.3	
<p>Source: 2020 FFIEC Census Data 2020 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey NOTE: Percentages may not add up to 100.0 due to rounding.</p>								

**TABLE B-2
PAYNE COUNTY AA DEMOGRAPHICS**

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	1,830	19.7
Moderate	2	25.0	2,320	25.0	392	16.9	2,062	22.2
Middle	6	75.0	6,952	75.0	739	10.6	2,023	21.8
Upper	0	0.0	0	0.0	0	0.0	3,357	36.2
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	8	100.0	9,272	100.0	1,131	12.2	9,272	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0	0.0	0	0.0	0	0.0
Moderate	3,613	2,279	24.7	63.1	834	23.1	500	13.8
Middle	11,946	6,938	75.3	58.1	3,287	27.5	1,721	14.4
Upper	0	0	0	0.0	0	0.0	0	0.0
Unknown	0	0	0	0.0	0	0.0	0	0.0
Total AA	15,559	9,217	100.0	59.2	4,121	26.5	2,221	14.3
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	197	16.2	172	15.8	18	17.1	7	31.8
Middle	1,016	83.8	914	84.2	87	82.9	15	68.2
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	1,213	100.0	1,086	100.0	105	100.0	22	100.0
Percentage of Total Businesses:			89.5		8.7		1.8	
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	13	15.7	13	16.0	0	0.0	0	0.0
Middle	70	84.3	68	84.0	2	100.0	0	0.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	83	100.0	81	100.0	2	100.0	0	0.0
Percentage of Total Farms:			97.6		2.4		0.0	

Source: 2020 FFIEC Census Data
2020 Dun & Bradstreet Data
2011-2015 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding

**TABLE B-3
DISTRIBUTION OF 2020 SMALL BUSINESS LENDING
BY INCOME LEVEL OF GEOGRAPHY
PAYNE COUNTY AA**

Census Tract Income Level	Bank Loans				% of Businesses
	#	\$(000)	#%	\$%	
Low	0	0	0.0	0.0	0.0
Moderate	0	0	0.0	0.0	16.2
Middle	12	448	100.0	100.0	83.8
Upper	0	0	0.0	0.0	0.0
Unknown	0	0	0.0	0.0	0.0
Not Reported	0	0	0.0	0.0	0.0

Source: 2020 FFIEC Census Data
2020 Dun & Bradstreet Data
2011 – 2015 U.S. Census Bureau: American Community Survey
NOTE: Percentages may not add up to 100.0 due to rounding

**TABLE B-4
DISTRIBUTION OF 2020 SMALL BUSINESS LENDING
BY REVENUE SIZE OF BUSINESSES
PAYNE COUNTY AA**

	Bank Loans				Total Businesses
	#	\$(000)	#%	\$%	%
By Revenue					
\$1 Million or Less	10	312	83.3	69.6	89.5
Over \$1 Million	2	136	16.7	30.4	8.7
Not Known	0	0	0.0	0.0	1.8
Total	12	448	100.0	100.0	100.0
By Loan Size					
\$100,000 or less	12	448	100.0	100.0	
\$100,001 – \$250,000	0	0	0.0	0.0	
\$250,001 – \$1 Million	0	0	0.0	0.0	
Total	12	448	100.0	100.0	
By Loan Size and Revenue \$1 Million or Less					
\$100,000 or less	10	312	100.0	100.0	
\$100,001 – \$250,000	0	0	0.0	0.0	
\$250,001 – \$1 Million	0	0	0.0	0.0	
Total	10	312	100.0	100.0	

Source: 2020 FFIEC Census Data
2020 Dun & Bradstreet Data
2011 – 2015 U.S. Census Bureau: American Community Survey
NOTE: Percentages may not add up to 100.0 due to rounding

APPENDIX C – 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.

Census tract: A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community development: 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 the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies, designated disaster areas; or designated distressed or underserved nonmetropolitan middle-income geographies.

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.

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 nonrelatives 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 is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, 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

applications, the amount of loan requested, and the disposition of the application (for example, approved, denied, and withdrawn).

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes and refinancings of home improvement and home purchase loans.

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 is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, 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.

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.

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a population of at least 2.5 million may be divided into MDs.

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.

Other products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

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.

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.

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. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial 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.

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