



## **PUBLIC DISCLOSURE**

January 09, 2017

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Mutual of Omaha Bank  
Charter Number 708146

3333 Farnam Street  
Omaha, NE 68131

Office of the Comptroller of the Currency

13710 FNB Parkway  
Suite 110  
Omaha, NE 68154-5298

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

**Table of Contents**

**OVERALL CRA RATING ..... 2**

**DEFINITIONS AND COMMON ABBREVIATIONS ..... 4**

**DESCRIPTION OF INSTITUTION ..... 8**

**SCOPE OF THE EVALUATION..... 10**

**DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW ..... 15**

MULTISTATE METROPOLITAN AREA RATING ..... 16

STATE OF ARIZONA ..... 24

STATE OF CALIFORNIA..... 33

STATE OF COLORADO ..... 41

STATE OF FLORIDA ..... 51

STATE OF HAWAII..... 59

STATE OF NEBRASKA..... 65

STATE OF NEVADA ..... 76

STATE OF TEXAS..... 89

**APPENDIX A: SCOPE OF EXAMINATION..... A1**

**APPENDIX B: SUMMARY OF MULTISTATE METROPOLITAN AREA AND STATE RATINGS.....B1**

**APPENDIX C: MARKET PROFILES FOR FULL-SCOPE AREAS ..... C1**

**APPENDIX D: TABLES OF PERFORMANCE DATA ..... D1**

## Overall CRA Rating

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority, when examining financial institutions subject to its supervision, to assess the institution’s record of meeting the credit needs of its entire community, including low- and moderate-income (LMI) neighborhoods, consistent with the safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institutions record of meeting the credit needs of the community.

This document is an evaluation of the CRA performance of **Mutual of Omaha Bank (MOB or bank)** issued by the Office of the Comptroller of the Currency (OCC), the institution’s supervisory agency, for the evaluation period starting October 30, 2012 through December 31, 2016. The agency rates the CRA performance of an institution consistent with the provisions set forth in appendix A, to 12 CFR Part 25.

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

The following table indicates the performance level of **Mutual of Omaha Bank** with respect to the Lending, Investment, and Service Tests:

Performance Levels	Mutual of Omaha Bank Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding		X	
High Satisfactory	X		
Low Satisfactory			X
Needs to Improve			
Substantial Noncompliance			

\* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.

The major factors that support this rating include:

- The bank originates a majority of loans inside its assessment areas (AAs);
- The bank’s lending activity is good;
- The geographic distribution of loans is good, as evidenced by good distribution of home mortgage loans and adequate distribution of small loans to businesses;
- The borrower distribution of loans is adequate for home mortgage and small loans to businesses;
- Community development (CD) lending had a significant positive impact on the Lending Test. Performance had a significant positive impact in the following rating areas: the states of Arizona, Colorado, Florida, Nebraska, Nevada, and Texas. These areas represent a significant majority of

bank operations and of bank deposits. CD lending supported affordable housing, community services targeted to low- to moderate-income (LMI) individuals, promoted economic development and activities that revitalize and stabilize LMI geographies;

- The bank made an excellent level of CD investments that were responsive to community needs.
- Branches are reasonably accessible to individuals and geographies of different income levels. Hours of operation have no significant differences between branches located in different income levels. The bank offers an adequate level of services and alternate delivery systems. The bank's record of opening or closing offices has not adversely affected access to banking services; and
- MOB provides a good level of CD services.

## Definitions and Common Abbreviations

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

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

**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 MA/AA.

**Census Tract (CT):** Small, relatively permanent statistical subdivisions of a county delineated by local participants as part of the U.S. Census Bureau's participant Statistical Areas Program. The primary purpose of CTs is to provide a state set of geographic units for the presentation of decennial census data. CTs generally have between 1,500 and 8,000 people, with an optimum size of 4,000.

**Community Development:** Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to LMI individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas; or loans, investments, and services that support, enable or facilitate projects or activities under HUD Neighborhood Stabilization Program criteria that benefit low-, moderate-, and middle-income individuals and geographies in the bank's AA(s) or outside the AA(s) provided the bank has adequately addressed the community development needs of its AA(s).

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

**Consumer Loan(s):** A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, 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 non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male householder' and no wife present) or 'female householder' (a family with a female householder and no husband present).

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

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

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

**Home Mortgage Loans:** Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

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

**Low-Income:** Individual 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 MA/AA.

**Median Family Income (MFI):** The median income derived from the United States Census Bureau's American Community Survey data every 5 years and used to determine the income level category of geographies. Also, it is the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level of individuals within a geography. For any given geography, the median is the point at which half of the families have income above it and half below it.

**Metropolitan Area (MA):** Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget, and any other area designated as such by the appropriate federal financial supervisory agency.

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

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

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

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

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

**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 multi-state 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 multi-state metropolitan area, the institution will receive a rating for the multi-state 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) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

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

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

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

## Description of Institution

Mutual of Omaha Bank (MOB or bank), is a \$7.6 billion federally chartered, interstate stock savings bank headquartered in Omaha, Nebraska. Omaha Financial Holding, Inc. (OFHI), a \$7.6 billion holding company headquartered in Omaha, is the sole shareholder of MOB. MOB is a second tier subsidiary of Mutual of Omaha Insurance Company (MOIC), an insurance and financial services company founded in 1909. OFHI was created by MOIC in 2007 as the first tier holding company for MOIC's banking initiatives. There were no merger or acquisition activities during the evaluation period.

MOB is a full-service financial institution that generates deposits and originates a full range of credit products including consumer, commercial, small business, and real estate loans. As of September 30, 2016, MOB had \$7.6 billion in total assets and Tier One Capital of \$646.8 million. As of September 30, 2016, MOB total loans were \$5.9 billion. The bank's loan-to-deposit ratio was 96.7 percent and total loans represented 76.3 percent of total assets. Commercial and industrial loans comprised 46.7 percent of the total loan portfolio. Approximately 44.6 percent of the bank's loan portfolio was comprised of residential real estate, 6.8 percent other loans, and 1.9 percent consumer loans. MOB's loan products included traditional mortgages, home equity loans and home equity lines of credit, personal loans, auto loans and recreational vehicle loans. Credit cards are offered in the bank's name by a third party. A number of consumer oriented deposit products are also available. In late 2014, the bank stopped originating residential mortgage-related loans and began purchasing these types of loans originated by an affiliate lender and other financial institutions.

The bank also offers commercial banking products including revolving or seasonal lines of credit, term loans, and commercial real estate financing. MOB provides commercial real estate and Small Business Administration (SBA) guaranteed loans, merchant card services and business credit cards through a third party. Additional services include treasury management, automated clearing house (ACH), wire transfers and remote deposit capture.

MOB operates 30 branches throughout 21 AAs across the United States in nine states. MOB's AAs are in Arizona, California, Colorado, Florida, Hawaii, Kansas, Nebraska, Nevada and Texas. During the evaluation period, MOB closed 24 branches located in Arizona, California, Colorado, Florida, Nebraska, Nevada and Missouri and opened nine branches in Arizona, California, Colorado, Florida, Hawaii, Kansas and Nevada. Additionally, MOB has loan production offices in Iowa, Nevada and Texas. Refer to the State Ratings sections of this evaluation for details on the bank's performance by area.

MOB's business strategy consists of retail banks operating in traditional brick and mortar branches and a "Community Association Banc" (CAB) that offers products and services to homeowners associations (HOAs) nationwide. CAB operates through a series of regional account officers, online banking, and lockboxes to collect association dues. MOB also offers eBanking services, with a portfolio of products for consumers who bank solely online and may never visit a MOB branch. As of June 30, 2016, CAB deposits totaled \$3.8 billion or 62.0 percent of the bank's total deposits. MOB also provides wealth management services consisting of trust and estate services, investment management, brokerage and insurance services and private banking.

Through CAB, MOB offers services specifically designed to meet the needs of HOAs, community associations and association management companies. Services include: cash management, digital imaging, and online ACH and credit card payment systems. Sales are conducted through MOB staff and

serviced by a call center. MOB offers loans to HOAs for property improvements and renovations. The CAB line of business has built a nationwide client base, active in all 50 states.

MOB affiliates include MOIC, East Campus Realty, LLC, Mutual of Omaha Investor Services, Inc.; United of Omaha Life Insurance Company; Companion Life Insurance Company, Guild Mortgage Company, and Mutual of Omaha Foundation.

- MOIC is a top provider of life, annuity, and health insurance and sells individual and group products in all 50 states.
- East Campus Realty, LLC is an urban mixed-use development consisting of retail space, condominiums, apartments, and parking facilities (Midtown Crossing at Turner Park located in Omaha, NE).
- Mutual of Omaha Investor Services, Inc. acts as a broker/dealer organization to promote the sale of mutual funds and other companies' variable products.
- United of Omaha Life Insurance Company offers a range of individual and group insurance products in all states except New York. Companion Life Insurance Company offers individual life, annuities, and group life insurance through career agents, direct mail, brokers, and financial institutions in the state of New York.
- Guild Mortgage Company, LLC makes mortgages in most states and the District of Columbia.
- Mutual of Omaha Foundation's mission is to eliminate poverty by providing grants to organizations in Omaha that align with that mission. MOB has submitted community development investments and grants to be considered during this evaluation period.

As of December 31, 2016, MOB has two subsidiaries, CondoCerts.com, Inc. (CondoCerts) and Mutual of Omaha Mortgage (MOB Mortgage). CondoCerts was formed for the purpose of handling management services for common interest community associations. MOB Mortgage is a joint venture with Prime Mortgage, a mortgage origination company.

MOB received a "Satisfactory" rating on its last CRA evaluation dated October 29, 2012. There are no legal, financial, or other factors impeding the bank's ability to help meet the credit needs of the bank's AAs.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

For this evaluation, we analyzed home purchase, home improvement, and home refinance mortgage loans the bank reported under the Home Mortgage Disclosure Act (HMDA) and small loans made to businesses the bank reported under the Community Reinvestment Act (CRA). Due to branch closure and merger activity, the evaluation period dates varied by AAs as follows:

- January 01, 2012 through December 31, 2015: Phoenix-Mesa-Scottsdale AZ MSA, Tucson AZ MSA, San Diego-Carlsbad-San Marcos CA MSA, Naples-Immokalee-Marco Island FL MSA, Tampa-St Petersburg-Clearwater FL MSA, Urban Honolulu HI MSA, Kansas City MO-KS MMSA, Omaha-Council Bluffs NE IA MMSA, Lincoln NE MSA, Las Vegas-Henderson-Paradise NV MSA, Reno NV MSA, Carson City NV MSA, Dallas-Plano-Irving TX MD and Houston-The Woodlands-Sugar Land TX MSA.
- January 01, 2012 through September 19, 2014: Lake Havasu City-Kingman AZ MSA;
- January 01, 2012 through October 24, 2014 - Boulder CO MSA
- January 01, 2012 through August 21, 2015 - Cape Coral-Fort Myers FL MSA;
- January 01, 2012 through February 27, 2015 -Riverside-San Bernardino-Ontario CA MSA;
- August 15, 2012 through December 31, 2015 – Fort Worth-Arlington MD

Additionally, the bank restructured the Denver-Aurora-Lakewood CO MSA AA throughout the evaluation period as a result of branch closure activity. Therefore, we performed a separate analysis of January 01, 2012 through December 31, 2013, January 01, 2014 through December 31, 2014, and January 01, 2015 through December 31, 2015 loan data for this AA.

Merger and branch closure activity also affected the evaluation period start and end dates for CD loans, the Investment Test, and the Service Test as follows:

- October 30, 2012 through December 31, 2016: Phoenix-Mesa-Scottsdale AZ MSA, Tucson AZ MSA, San Diego-Carlsbad-San Marcos CA MSA, Denver-Aurora-Lakewood CO MSA, Naples-Immokalee-Marco Island FL MSA, Tampa-St Petersburg-Clearwater FL MSA, Urban Honolulu HI MSA, Kansas City MO-KS MMSA, Omaha-Council Bluffs NE IA MMSA, Lincoln NE MSA, Las Vegas-Henderson-Paradise NV MSA, Reno NV MSA, Carson City NV MSA, Dallas-Plano-Irving TX MD and Houston-The Woodlands-Sugar Land TX MSA.
- October 30, 2012 through September 19, 2014: Lake Havasu City-Kingman AZ MSA;
- October 30, 2012 through October 24, 2014 - Boulder CO MSA
- October 30, 2012 through August 21, 2015 - Cape Coral-Fort Myers FL MSA;
- October 30, 2012 through February 27, 2015 -Riverside-San Bernardino-Ontario CA MSA;
- August 15, 2012 through December 31, 2016 – Fort Worth-Arlington MD

For some AAs, we performed a separate analysis of 2012 through 2013 data and 2014 through 2015 loan data due to changes instituted by the 2014 Office of Management and Budget (OMB) MA geographic boundary revisions. Refer to the “Description” section under each Rating Area section for details on those areas impacted by the 2014 OMB changes, Performance Tables 1 through 12 in appendix D include only data covered by the analysis period receiving the greatest weight.

Since the previous CRA evaluation in 2012, overall economic conditions in the bank's markets have improved and borrowing levels have increased. However, MOB's strategic business decision in late 2014 to cease direct mortgage loan originations and to purchase these loans types decreased mortgage loan volumes in 2014 and 2015. Appendix D contains tables with data used to evaluate the bank's performance.

In order to perform a quantitative analysis for the Lending Test, a minimum of 20 loans was needed in a loan product and analysis period. Refer to the applicable Lending Test narratives under each Rating Area section for details on loan products that did not have a sufficient volume to perform a meaningful analysis. Additionally, the bank only originated or purchased a sufficient volume of home improvement loans to perform a detailed analysis of geographic and borrower distributions in the Omaha-Council Bluffs NE-IA MMSA AA. Although MOB did not originate a sufficient volume of multifamily loans in all AAs to perform an analysis, we considered multifamily loans meeting the CD definition as part of the evaluation of CD lending. During the evaluation period, MOB did not originate or purchase any small loans to farms.

### **Data Integrity**

As part of our ongoing supervision of the bank, we tested the accuracy of the bank's HMDA and CRA lending data. We also reviewed the appropriateness of CD investment and services activities provided for consideration during the evaluation. This included testing of CD loans to determine if they qualify as community development, as defined in the CRA regulation. Our testing indicated no substantive inaccuracies in the data. Therefore, we concluded that the home mortgage loans, small loans to businesses, and CD loan data was reliable for inclusion in this evaluation.

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

We selected at least one AA in each state where the bank has an office for a full-scope review. In addition, we reviewed the bank's performance within the AA where the bank is headquartered, using full-scope procedures. Full-scope reviews consider quantitative and qualitative factors, as well as performance context factors. In general, we selected AAs for the full-scope review because they represented a significant portion of the bank's deposit base and lending business in that state and/or multistate area. Other AA's in each state were analyzed using limited scope evaluation procedures. Limited-scope procedures consider quantitative factors only. Refer to the "Scope" section under each State and MMSA section for details regarding how we selected the areas for review.

### **Ratings**

The bank's overall rating is a blend of the MMSA rating and State ratings. The state of Nebraska received the greatest weight in our determination of the overall rating. The state of Nebraska accounts for 77.2 percent of deposits, 38.2 percent of reportable loans during the evaluation period, and 20.0 percent of the branch network. The states of Arizona, Florida and Nevada received the next greatest emphasis in overall ratings. The Arizona MSAs account for 20.0 percent of the branches, 11.0 percent of reportable loans and 8.0 percent of deposits. The Florida MSAs account for 18.6 percent of reportable loans, 10.0 percent of branches and 3.1 percent of deposits. The Nevada MSAs account for, 16.7 percent of branches, 8.4 percent of reportable loans and 7.8 percent of deposits. The Colorado, Texas, and California rated areas have the next greatest weight, and have equal emphasis with similar input to overall bank operations. The Kansas City Mo-KS MMSA and state of Hawaii have the least

significance in the overall rating conclusions based on low lending, deposits and branches. Areas receiving full scope reviews receive the primary weight when establishing the ratings in the state and MMSA rating areas. Refer to the “Scope” section under each state and MMSA rating section for details regarding the applicable weightings used in arriving at the respective ratings.

### **Inside/Outside Ratio**

Analysis is limited to bank originations and purchases and does not include affiliate data. For the combined period dating from January 1, 2012 through December 31, 2015, MOB originated a majority (75.3 percent) of all loan products inside the bank’s AAs. HMDA reportable loans originated within the bank’s AAs were reported at 73.4 percent. For CRA reportable small business loans during the evaluation period, MOB originated 84.5 percent by number within its AAs. The ratio is a bank-wide calculation and not calculated by individual rating areas or AA(s).

### **Other Factors Considered in our Analysis under Each Performance Test**

#### **Lending Test**

This evaluation analyzed performance from 2012 through 2015. Overall, we placed more emphasis on performance in the more current timeframe from 2014 – 2015 for the AAs impacted by the 2014 OMB changes to reach our performance conclusions, with the exception of the Denver-Aurora- Lakewood MSA. This AA had more activity in the 2012 – 2013 timeframe due to the subsequent branch closures and AA redesignations that occurred in 2014 and 2015.

When evaluating the bank’s performance under the Lending Test, we weighted the distribution of home mortgage loans and small loans to businesses by the level of lending activity conducted during the evaluation period. Consequently, home mortgage loans were given the greatest weight, followed by small loans to businesses. Among home mortgage loans, home purchase and home refinance loans were given equal weight. MOB only originated or purchased a sufficient volume of home improvement loans to perform a detailed analysis of geographic and borrower distributions in the Omaha-Council Bluffs NE-IA MMSA AA.

For the analysis of the distribution of loans to geographies with different income levels, more emphasis was placed on the bank’s performance as compared to aggregate data reported by peers for LMI CTs. In addition, more emphasis was placed on moderate-income census tracts if there was a limited number of owner-occupied housing units or businesses in the low-income census tracts.

The borrower distribution analysis considered the impact of poverty in AAs with relatively high poverty levels as a factor that may limit home mortgage lending opportunities to a portion of the population. In a few markets, housing stock is older and higher home ownership costs associated with older homes is considered as a potential hurdle to home ownership, especially for low-income individuals and families. For some AAs, the median housing value is high compared with incomes for low-income families and considered a limiting factor for making home mortgage loans to low-income borrowers in those AAs.

Throughout the Performance Evaluation (PE), CD lending is described in relation to the allocation of Tier One Capital. The allocation is based on the percentage of the bank's total deposits in each AA or rated area.

### **Innovative and Flexible Loan Programs**

MOB offers a standard mix of loan products including home mortgage, consumer loans, and products targeting small businesses (i.e. loans, lines of credit, and credit cards) throughout all of its AAs. Through an affiliate lender, MOB also offers flexible home loan programs targeted to LMI borrowers that enhance lending performance, including FHA and VA lending, local down payment assistance programs and the Home Affordable Refinance Program (HARP). In addition, the affiliate lender offers a Community First Home Loan product to assist LMI individuals and families achieve home ownership by offering 100 percent financing and no private mortgage insurance requirements. During the evaluation period, 1,250 loans totaling \$183.2 million under these programs were originated and an additional 142 loans totaling \$20.5 million located outside of their AAs.

MOB is a Preferred Lender with the SBA's 7(a) and 504 loan programs and originated 73 SBA loans totaling \$37.1 million within the bank's AAs during the evaluation period. The bank also made an additional 13 SBA loans totaling \$9.6 million located outside their AAs.

Loans originated under these programs, located within the bank's AAs, were included in the home mortgage and loans to small businesses data and were analyzed under the Lending Test.

### **Community Development Loans – Broader Regional and Nationwide**

In addition to qualified loans made within the bank's AAs and broader statewide areas, MOB originated loans in broader regional areas and nationwide during the evaluation period. These loans fell into one of two categories:

- (1) originated to organizations or used for activities with a purpose/mandate/function (P/M/F) to serve one or more of the bank's AAs; or
- (2) originated to organizations or used for activities without P/M/F to serve one or more of the bank's AAs.

During the evaluation period, MOB originated two CD loans for affordable housing totaling \$14.2 million to entities with no P/M/F to serve one or more of the bank's AAs. These loans were for the acquisition and renovation of multifamily units for affordable housing located in Lithonia, Georgia and Nashville, Tennessee.

### **Investment Test**

Throughout the PE, investment performance is described as a portion of tier one capital to help provide the reader context on investment levels. For this PE, the allocation is based on the percentage of the bank's total deposits in each AA or rated area.

In addition to qualified investments made within the bank's AAs and broader statewide areas, MOB originated investments in broader regional areas and nationwide during the evaluation period. These investments fell into one of two categories:

- (1) originated to organizations or used for activities with a P/M/F to serve one or more of the bank's AAs; or
- (2) originated to organizations or used for activities without P/M/F to serve one or more of the bank's AAs.

During the evaluation period, MOB made four nationwide grants totaling \$275 thousand with P/M/F to serve one or more of the bank's AAs. Two grants totaling \$125 thousand were to Operation HOPE for their financial literacy and financial educational programs to LMI individuals. MOB has identified Operation HOPE as a strategic partner in providing financial literacy programs. An additional two nationwide grants totaling \$150 thousand were for the sponsorship of the EverFi Literacy Program that will be offered in select MOB markets located in Arizona, Florida and Nebraska for schools that primarily serve LMI students.

MOB made a regional \$500 thousand direct equity investment in a Community Development Financial Institution (CDFI), which represents a 2.6 percent ownership interest in the CDFI. The investment has a P/M/F to serve one or more of the bank's AAs located in Arizona, California and Nevada.

### **Service Test**

In addition to qualified CD services made within the bank's AAs, MOB partnered with an organization that provides CD services in areas across the nation, including the bank's AAs:

- Board and committee membership of Operation HOPE by two bank employees.

### **Alternative Delivery Systems – Mobile and Online Banking**

MOB offers mobile and online banking services as alternative delivery systems. However, the bank does not track the dispersion of LMI users or users within LMI areas that activated access to these delivery systems. Without this analysis we did not attribute significant weight when reaching our conclusions on the accessibility of the bank's delivery systems.

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

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

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

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

## Multistate Metropolitan Area Rating

### Kansas City MO-KS Multistate Metropolitan Area

<b>CRA rating for the MMSA<sup>1</sup>:</b>	<b>Satisfactory</b>
<b>The Lending Test is rated:</b>	<b>High Satisfactory</b>
<b>The Investment Test is rated:</b>	<b>Outstanding</b>
<b>The Service Test is rated:</b>	<b>Needs to Improve</b>

The major factors that support this rating include:

- Lending activity was adequate in the AA;
- Geographic distribution of home mortgage loans was adequate;
- Borrower distribution of home mortgage loans is good. This is highlighted by excellent borrower distribution of home purchase loans and offset by adequate borrower distribution of home refinance loans;
- An excellent level of CD lending, which had a significantly positive impact on the Lending Test rating;
- An excellent level of qualified investments that reflects good responsiveness to credit and community development needs;
- Retail service delivery systems are accessible to limited portions of geographies and individuals of different income levels in the AA; and
- Adequate level of community development service performance.

### Description of Institution’s Operations in Kansas City MO-KS MMSA

MOB has one AA that extends into the states of Missouri and Kansas. This AA is the Kansas City MO-KS MMSA AA, comprised of Johnson and Wyandotte Counties in Kansas and Jackson County in Missouri. We completed a full scope review for the Kansas City MO-KS MMSA AA.

The bank provides a full range of loan and deposit products in the AA. MOB has one branch in the AA, representing 3.3 percent of the bank’s total branch network. There was one branch closed and one branch opened in the AA during the evaluation period. The branch closure was due to business reasons. MOB has no ATMs in the AA.

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<sup>1</sup> This rating reflects performance within the multistate metropolitan area. The statewide evaluations do not reflect performance in the parts of those states contained within the multistate metropolitan area.

As of June 30, 2016, there were 88 financial service providers with branches in the AA. MOB ranked 64th in AA deposits with \$37.4 million, representing a 0.09 percent deposit market share. The banking industry is highly competitive in the AA, considering the top five banks hold 60.1 percent of the deposit market share based on the June 30, 2016 FDIC Deposit Market Share data. The five largest competitors in the AA include UMB Bank, N.A., Commerce Bank, Bank of America, N.A., U.S. Bank, N.A., and Capitol Federal Savings Bank.

Refer to the market profile for the Kansas City MO-KS MMSA AA in appendix C for detailed demographics and performance context information for AAs that received full scope reviews.

## **Scope of Evaluation in Kansas City MO-KS MMSA**

MOB has one AA in the Kansas City MO-KS MMSA AA. As a result, we performed a full-scope review of the AA.

We analyzed home purchase and home refinance loans reported under the HMDA for the period of January 1, 2012 through December 31, 2015. These are the only primary loan products and analysis periods we reviewed for this evaluation in the Kansas City MO-KS MMSA AA. Primary loan products are products in which the bank originated at least 20 loans within an AA during one or more of the analysis periods within the overall evaluation period. In our evaluation under the Lending Test for geographic distribution and borrower income criteria, we performed separate analyses of 2012 through 2013 data and 2014 through 2015 data, due to OMB changes in the AA effective in 2014. The lending tables presented in appendix D reflect performance for the 2014 through 2015.

We reviewed the bank performance for the Investment Test and Service Test for the time period of October 30, 2012 through December 31, 2016.

As part of this performance evaluation, we reviewed one community contact conducted in the AA. The identified community needs in the Kansas City MO-KS MMSA AA included affordable housing, affordable loans for rehabilitation of older homes, and alternative loan products to assist individuals who do not meet traditional underwriting standards for purchasing and refinancing homes.

Refer to the tables in appendix A for more information on the Kansas City MO-KS MMSA AA.

## **LENDING TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the Lending Test in the Kansas City MO-KS MMSA AA is rated "High Satisfactory". Based on the full-scope review, the bank's performance is good.

### **Lending Activity**

Lending activity in the Kansas City KS-MO MMSA AA is adequate.

Refer to Table 1 Lending Volume in the "Kansas City KS-MO MMSA" section of appendix D for the facts and data used to evaluate the bank's lending activity.

Based upon FDIC deposit market share data as of June 30, 2015, MOB achieved a 0.05 percent market share of deposits, ranking 73<sup>rd</sup> out of 91 deposit taking institutions in the AA. Based upon 2015 peer mortgage data, MOB achieved a 0.06 percent market share of home purchase loans, ranking 139<sup>th</sup> among 470 reporting lenders and is equivalent to being in the top 30 percent of lenders. MOB's market share of home purchase loans exceeded their deposit market share in 2015. The top five home purchase lenders had 27.28 percent of the total market share in the AA in 2015 and consisted of Wells Fargo Bank; NA; First State Bank of St. Charles; US Bank, N.A.; Truhome Solutions, LLC; and PrimeLending. MOB did not have a sufficient level of home mortgage purchase loans within the AA in 2012 through 2013 to perform a meaningful market share analysis.

Based upon the FDIC deposit market share data as of June 30, 2013, MOB achieved a deposit market share of 0.05 percent, ranking 74<sup>th</sup> among 88 deposit taking institutions in the AA. Based on 2013 peer mortgage data, MOB had a 0.05 percent market share of home refinance loans, ranking 132<sup>nd</sup> out of 396 lenders in the AA, and this is equivalent to being in the top 33.3 percent of all lenders in the AA. MOB's market share of home refinance loans was equal to their overall deposit market share. MOB did not have a sufficient level of home refinance loans within the AA in 2014 through 2015 to perform a meaningful market share analysis.

MOB did not originate a sufficient level of small business loans in 2012 through 2013 or 2014 through 2015 to conduct a meaningful analysis.

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

The overall geographic distribution of loans in the Kansas City MO-KS MMSA AA is adequate. In performing our analysis, we placed greater weight on home mortgage lending performance as there was an insufficient volume of small loans to business for analysis. Within the home mortgage loans, we gave equal weight to home purchase and home refinance loans based on the amount of originations during the evaluation period. In addition, we placed equal emphasis on the bank's performance in 2012 through 2013 and its performance in 2014 through 2015.

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

The geographic distribution of home mortgage loans reflects adequate penetration throughout the AA.

In evaluating the geographic distribution of home loans in the Kansas City MO-KS MMSA AA, it is important to note that LMI census tracts contain a lower percentage of owner-occupied housing units and are predominantly renter-occupied markets. The percentage of occupied rental and vacant units are greater in LMI geographies than the percentage of owner occupied housing units. According to the 2010 U.S. Census, 47.2 percent of housing units or 52,499 housing units in low-income geographies are renter-occupied units and/or vacant units and 66.3 percent of the housing units or 79,270 housing units in moderate-income census tracts are renter-occupied or vacant. In addition, MOB has a small presence in this AA, does not conduct outreach to potential borrowers for mortgage loans and faces significant competition from very large institutions with significant mortgage lending operations in the AA.

Refer to Tables 2, 4, and 5 in the "Multistate Metropolitan Area(s)" section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The overall geographic distribution of home purchase loans is adequate. MOB did not originate any home purchase loans in low-income geographies in this AA throughout the evaluation period. The bank's performance in 2014 through 2015 for home purchase lending was lower than the 2015 HMDA aggregate in low-income geographies. Home purchase lending in moderate-income geographies exceeded the 2015 HMDA lending aggregate. The percentage of bank loans made 2014 through 2015 in low-income geographies was lower than the percentage owner-occupied units in low-income census tracts. The percentage of loans made 2014 through 2015 in moderate-income census tracts exceeded the percentage of owner-occupied housing in moderate-income census tracts. MOB did not originate a sufficient level of home purchase loans in 2012 through 2013 to conduct a meaningful analysis.

The overall geographic distribution of home refinance loans reflects poor penetration throughout the AA in LMI geographies. MOB did not make any home refinance loans in low-income geographies in this AA throughout 2014 through 2015. The bank's performance in 2012 through 2013 for home refinance lending was lower than 2013 HMDA aggregate lending for home refinance in LMI geographies. The percentage of home refinance loans made in LMI geographies was also lower than the percentage of owner-occupied units in those geographies. MOB did not originate a sufficient level of home refinance loans 2014 through 2015 to conduct a meaningful analysis.

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

Refer to Table 6 in the Kansas City MO-KS MMSA AA section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

MOB did not originate a sufficient level of small loans to businesses during the evaluation periods, 2012 through 2013 and 2014 through 2015, to conduct a meaningful analysis.

### ***Lending Gap Analysis***

We reviewed summary reports and maps and analyzed MOB's home mortgage activity throughout the evaluation period to identify any gaps in the geographic distribution of loans. We did not identify any unexplained conspicuous gaps.

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

The overall distribution of lending by income level of the borrower is good. As noted previously, we placed more emphasis on the level of home mortgage lending. We gave equal weight on the bank's home purchase and home refinance lending as there was an insufficient volume of small business loans for analysis.

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

The borrower distribution of home mortgage loans is good. As previously noted, we placed equal weight on the bank's home purchase and home refinance. In addition, we gave equal weight on the bank's performance in 2012 through 2013 and its performance in 2014 through 2015. We also

considered the impact that higher poverty rates have on lending performance in the AA as part of our conclusions. Based on 2010 U.S. Census data, 8.9 percent of families in the AA were below poverty level. Home ownership can be difficult due to high median housing prices compared to median family incomes. According to the 2010 U.S. Census data, the median housing value was \$163,478. In addition, we considered the average age of the housing stock in the AA. According to the 2010 U.S. Census data, the average age was 40 years for all census tracts in the AA. Older housing may have lower purchase prices, but often has higher maintenance costs. These additional factors and costs may negatively affect the ability of LMI individuals to qualify for mortgage loans.

Refer to Tables 8 and 10 in the Kansas City MO-KS MMSA section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The distribution of home purchase loans to borrowers of different income levels reflects excellent penetration. MOB's home purchase loans made in 2014 through 2015 reflects excellent borrower distribution. MOB's lending to LMI borrowers exceeded the 2015 HMDA aggregate lending levels. The percentage of loans made to low-income borrowers is near the percentage of low-income families in the AA. The percentage of home purchase loans to moderate-income borrowers exceeded the percentage of moderate-income families in the AA. As previously noted, MOB did not originate a sufficient level of home purchase loans in 2012 through 2013 to conduct a meaningful analysis

The distribution of home refinance loans to borrowers of different income levels reflects adequate distribution. For 2012 through 2013, no home refinance loans were made to low-income borrowers and reflects poor performance. The percentage of home refinance loans made to moderate-income borrowers exceeded the 2013 HMDA aggregate lending for home refinance lending and reflects excellent performance. The percentage of loans made to moderate-income borrowers exceeded the percentage of moderate-income families in the AA, 2012 through 2013. MOB did not originate a sufficient level of home refinance loans 2014 through 2015 to conduct a meaningful analysis.

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

Refer to Table 11 in the Kansas City MO-KS MMSA AA section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

MOB did not originate a sufficient level of small loans to businesses in this AA throughout the evaluation period (2012 through 2013 and 2014 through 2015) to conduct a meaningful analysis.

### **Community Development Lending**

Refer to Table 1 Lending Volume in the Kansas City MO-KS MMSA section of appendix D for the facts and data used to evaluate the bank's level of community development lending. This table includes all community development loans, including multifamily loans also qualify as community development loans. In addition, Table 5 includes geographic lending data on all multifamily loans, including those that also qualify as community development loans. Table 5 does not separately list community development loans.

MOB's level of CD lending had a significantly positive impact on its overall lending performance in the Kansas City MO-KS MMSA, when considering the impact and responsiveness. During the review period, MOB originated two CD loans totaling \$95.7 million. Both of the loans originated by MOB were made to revitalize and stabilize a moderate-income geography. In total, CD lending represented approximately 2,399.3 percent of allocated Tier One Capital in the AA.

One of the CD loans was a \$55.7 million dollar construction loan to build a retail center located in a moderate-income census tract. The municipality designated this area as a blighted area in need of redevelopment. This project was eligible for Tax Increment Financing, which was consistent with the municipal plans for redevelopment of this property. This retail center is projected to create 1,600 jobs.

### **Community Development Loans – KS Statewide**

In addition to qualified loans made within the bank's AAs, MOB originated CD loans in the broader statewide area. MOB originated three loans with no P/M/F for the AA totaling \$15.4 million for affordable housing located in the Wichita KS MSA. One of these loans was a \$9.3 million refinance loan that supports affordable housing for LMI individuals and is located in a low-income census tract.

### **Product Innovation and Flexibility**

MOB offers several flexible lending products for home mortgage lending and small business lending. The most notable flexible mortgage product is known as Community First Home Loan. This program allows for LMI borrowers to be approved for 100 percent financing, without incurring mortgage insurance. In the Kansas City MO-KS MMSA AA, MOB originated nine Community First Home loans totaling \$924 thousand during the evaluation period. MOB also offers FHA, VA, and SBA loan programs, and originated two loans totaling \$313 thousand under these programs.

## **INVESTMENT TEST**

The bank's performance under the investment test in the Kansas City MO-KS MMSA AA is rated "Outstanding". This conclusion is based on a full-scope review of MOB's performance in the Kansas City MO-KS MMSA AA. MOB was responsive to the identified community needs regarding affordable housing.

### **Conclusions for Areas Receiving Full-Scope Reviews**

Refer to Table 14 in the Kansas City MO-KS MMSA AA section of appendix D for the facts and data used to evaluate the bank's level of qualified investments.

MOB's investment performance in the AA is excellent. MOB made investments and grants totaling \$5.2 million, representing 130.7 percent of allocated Tier One Capital. Over 99.9 percent of the dollar amount of investments were dedicated towards affordable housing, which was an identified need in the community. MOB made two investments in a Wyandotte County housing group that focuses on finding affordable housing solutions for the communities they serve. The two investments total \$5.2 million and are dedicated to affordable housing. There is an additional \$245 thousand in unfunded

commitments to these projects. These investments provide the development group with Low-Income Housing Tax Credits. The two projects have created 48 LMI housing units, 14 units will be dedicated to those who qualify as low-income, with the remainder set aside for moderate-income individuals. All of the units created by this project are either two or three- bedroom units.

### **Investments – KS Statewide**

MOB made two grants with no P/M/F to potentially benefit the AA totaling \$2 thousand to a non-profit organization serving homeless individuals.

## **SERVICE TEST**

MOB's performance under the service test in the Kansas City MO-KS MMSA is rated "Needs to Improve". Based on a full-scope review, the bank's performance in the AA is poor.

### **Retail Banking Services**

Refer to Table 15 in the Kansas City MO-KS MMSA AA section of appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

MOB's branch distribution is poor. Branch delivery systems are accessible to limited portions of the AA. MOB had one branch location in the AA throughout the evaluation period. MOB had a branch in Kansas City, MO from January 2012 to October 2016. MOB closed this Kansas City, MO branch location on October 21, 2016. At the same time, MOB opened a branch in Leawood, KS, which is situated in Johnson County. There was never a lapse in branch services in the AA. Both of the bank branches in the AA were situated in an upper-income census tract and were not near to an LMI census tract. The closed branch in Kansas City, MO had a deposit taking ATM; however the new location in Leawood, KS does not have an ATM. The MOB branch has reasonable hours of operation, however there are no weekend hours. All banking activity must be conducted in the branch from Monday through Friday from 8:30 a.m.-5:00 p.m.

In addition to traditional branch services, MOB has alternative systems in place to accommodate customers after hours and on weekends. These alternative systems include mobile banking (including mobile deposits), online banking, online bill pay, and 24 hour customer service via phone.

The bank is partnered with *MoneyPass*, a network that offers 22,000 ATMs across the U.S. Use of these ATMs is surcharge-free to all MOB depositors. *MoneyPass* has an iPhone and Android ATM locator application for customer convenience. Among the 71 *MoneyPass* deposit-taking ATMs in the AA, five are in a low-income census tract and nine are located in a moderate-income geography. This delivery method provides increased access to banking services to customers residing or working in these LMI census tracts.

### **Community Development Services**

MOB performance in providing CD services is adequate. Bank services focused on financial literacy, which was not identified as a community need.

Throughout the evaluation period, five bank employees provided 70 hours of community service to three different entities located within the bank's AA. The bank's services focused on financial literacy. Bank employees provided training to various groups focused on financial empowerment. These financial literacy sessions were directed towards LMI individuals. The bank partnered with a local group whose mission it is to provide financial empowerment to those making less than \$50 thousand a year. Additionally, some bank services were focused on the AA's youth. MOB employees provided financial literacy training to LMI elementary school students.

## State of Arizona

<b>CRA Rating for Arizona:</b>	<b>Satisfactory</b>
<b>The Lending Test is rated:</b>	<b>High Satisfactory</b>
<b>The Investment Test is rated:</b>	<b>Outstanding</b>
<b>The Service Test is rated:</b>	<b>High Satisfactory</b>

The major factors that support this rating include:

- An adequate level of lending for home mortgage loans and small loans to businesses;
- An overall good geographic distribution of lending, with good distribution of home mortgage loans and excellent distribution of small loans to businesses;
- An overall adequate borrower distribution of lending, with good distribution of home mortgage loans to borrowers of different income levels and a poor distribution of loans to small businesses;
- An excellent level of community development lending that was responsive to the community development needs in the AAs and had a positive impact on the lending test;
- An excellent level of qualified community development investments that reflects excellent responsiveness to the credit and community development needs in the AA;
- Retail service delivery systems that are reasonably accessible to geographies and individuals of different income levels in the AA; and
- Excellent level of community development service performance.

## Description of Institution’s Operations in Arizona

MOB currently has two AAs in the state of Arizona. These AAs include the Phoenix-Mesa-Scottsdale AZ MSA AA and the Tucson AZ MSA AA. The Phoenix-Mesa-Scottsdale MSA AA comprises of Maricopa County. The Tucson MSA comprises Pima County. During the review period, the bank also operated a branch in the Lake Havasu City-Kingman MSA AA consisting of Mohave County. However, MOB exited this market and closed the branch on September 19, 2014.

The bank provides a full range of services to the AAs. MOB operates six branches within the state, which represents 20 percent of the bank’s total branch network. During the evaluation period, MOB closed seven branches in the state and opened two branches. The bank also operates two ATMs in Arizona, which represent 12 percent of the bank’s ATM network. As of June 30, 2016, there were 57 financial services providers with branches in the state. MOB ranked 18th representing a 0.49 percent market share. Arizona represents MOB’s second largest market with total deposits representing 7.96 percent of the bank’s total deposits and 12 percent of the bank’s reportable (home mortgage and CRA) loans).

Refer to the market profiles for the state of Arizona in appendix C for detailed demographics and other performance context information for AAs that received full-scope reviews.

## **Scope of Evaluation in Arizona**

We conducted a full-scope review of the Phoenix-Mesa-Scottsdale MSA AA based on the majority of deposits, branch offices and reportable lending in the state. Total loans in this AA represent 85.2 of loans reported in Arizona during the evaluation period, and 85.8 percent of the total deposits gathered in the state. A full-scope review considers complete performance context information, quantitative factors and qualitative factors. Based on its lesser volume, we conducted a limited-scope review of the Tucson AZ MSA AA. There was insufficient lending activity in the Lake-Havasu City-Kingman MSA AA to conduct any type of meaningful analysis. Performance in this AA had minimal impact on the bank's overall performance. For most of the evaluation period the Lake-Havasu City-Kingman MSA represented less than one percent of total bank deposits and less than six percent of Arizona deposits.

In the fall of 2014, the bank closed its mortgage operations and entered into a correspondent relationship with Guild Mortgage, an affiliate company. The new business strategy impacted mortgage lending volumes across the enterprise with a decrease in overall home mortgage lending.

We reviewed a community contact conducted in the Phoenix-Mesa-Scottsdale MSA AA. The organization is a community-based development and financial institution that provides financial and technical assistance to small businesses. The organization stated there is need for innovative products and services to help small businesses in the AA.

Refer to the tables in appendix A for more information on the Arizona AAs.

## **LENDING TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

MOB's performance under the lending test in the State of Arizona is rated "High Satisfactory". Based on a full-scope review, the bank's performance in the Phoenix-Mesa-Scottsdale MSA AA is good. In performing our analysis, we placed greater weight on the bank's home mortgage lending, as this loan category represented the larger portion of reportable loans. Community development lending had a positive impact on lending performance when considering the volume and responsiveness to the community development needs in the AA.

### **Lending Activity**

Lending activity in the Phoenix-Mesa-Scottsdale MSA AA is adequate, particularly considering the strong competition for both home mortgage and small business lending in this AA.

Refer to Table 1 Lending Volume in the state of Arizona section of appendix D for the facts and data used to evaluate the bank's lending activity.

Based on FDIC Deposit Market Share data as of June 30, 2015, the bank had a deposit market share of 0.54 percent and was ranked 18<sup>th</sup> among 57 financial institutions taking deposits in the AA. Based

on 2015 peer mortgage data, MOB had a 0.06 percent market share of home purchase loans, ranking 148<sup>th</sup> of 650 reporting lenders in the AA. The top five home purchase lenders were Wells Fargo Bank, National Association (NA); U.S. Bank, NA; Academy Mortgage Corporation; JPMorgan Chase Bank, NA; and NOVA Home Loans. The performance is lower than MOB's deposit market share and rank; however, based on MOB's 2015 change in business strategy and the level of competition in the market, such performance does not materially detract from the bank's overall lending activity performance.

The bank had 0.02 percent market share of home refinance loans, ranking 208<sup>th</sup> of 569 reporting lenders. The top five home refinance lenders were Wells Fargo Bank, NA; Quicken Loans; JPMorgan Chase Bank, NA; Freedom Mortgage Corporation and Bank of America, NA. The performance is lower than MOB's deposit market share and rank; however, based on MOB's 2015 change in business strategy and the level of competition in the market, such performance does not materially detract from the bank's overall lending activity performance.

Based on 2015 peer market data, MOB had 0.06 percent market share of small loans to businesses, ranking 43<sup>rd</sup> of 175 reporting small business lenders. Competition for small business loans is strong as the top five banks account for 68.8 percent of the small loans to business market share. The top five lenders were American Express, FSB; Wells Fargo, NA; Citibank, NA; Chase Bank USA, NA; and Bank of America, NA.

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

Overall, the geographic distribution of loans in the Phoenix-Mesa-Scottsdale MSA AA reflects good penetration throughout the AA. Geographic distribution of home mortgage loans is good and distribution of small loans to businesses is excellent. In performing our analysis, we placed greater weight on home mortgage lending performance as these loans represented the majority of the bank's reportable lending activity. Within the home mortgage loans, we gave equal weight to home purchase and home refinance loans based on the level of originations during the evaluation period.

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

The geographic distribution of home mortgage loans in the Phoenix-Mesa-Scottsdale MSA AA is good. Distribution of home purchase loans is excellent, while the distribution of home refinance loans is poor.

In evaluating the geographic distribution of home loans in the Phoenix-Mesa-Scottsdale MSA AA, it is important to note that according to data obtained in the 2010 U.S. Census, LMI geographies contained 3.5 percent (33,050 housing units) and 22.0 percent (189,906 housing units) of total owner-occupied housing units in the AA, respectively. Of the total housing units in low-income geographies (per 2010 U.S. Census Data), rental and vacant units account for 54.3 percent (65,736 housing units) and 18.4 percent (22,330 housing units), respectively. For moderate-income geographies, rental and vacant units account for 38.4 percent (158,493 housing units) and 15.7 percent (64,695), respectively. Based on these statistics and the significant competition from very large insititutions with significant mortgage lending operations in the AA, the bank had somewhat limited opportunities for home mortgage lending in LMI census tracts. In addition, MOB does not conduct outreach to potential borrowers for mortgage loans. Refer to Tables 2, 4, and 5 in the state of Arizona section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations/purchases.

The geographic distribution of home purchase loans in the Phoenix-Mesa-Scottsdale MSA AA reflects excellent penetration of loans throughout the AA. The percentage of loans in LMI geographies exceeded 2015 HMDA aggregate lending levels and reflects excellent performance. In addition, the percentage of loans made in low-income census tracts was near to the percentage of owner-occupied units in low-income census tracts. The percentage of loans made in moderate-income census tracts exceeds the percentage of owner occupied units in those tracts.

The geographic distribution of home refinance loans in the Phoenix-Mesa-Scottsdale AZ MSA reflects poor penetration of these loans throughout the AA. The percentage of loans originated or purchased by MOB exceeds 2015 HMDA aggregate lending levels in low-income census tracts and reflects excellent performance. However, the percentage of loans made by MOB in moderate-income census tracts is lower than the 2015 HMDA aggregate lending levels and is poor. In addition, the percentage of loans made in both LMI census tracts is significantly lower than the percentage of owner-occupied units in those geographies and is very poor.

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

Refer to Table 6 in the state of Arizona section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The geographic distribution of small loans to businesses in the Phoenix-Mesa-Scottsdale MSA AA reflects excellent penetration of loans throughout the AA, particularly in LMI census tracts. The percentage of these loans made by MOB significantly exceeds 2015 aggregate lending levels and is excellent. In addition, the percentage of loans made in both LMI census tracts significantly exceeds the percentage of businesses in those census tracts, which also reflects excellent performance.

### ***Lending Gap Analysis***

We reviewed summary reports and maps, and analyzed MOB's home mortgage and small business activity over the evaluation period to identify any gaps in the geographic distribution of loans. We did not identified any unexplained conspicuous gaps.

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

The borrower distribution of the bank's lending is adequate. The distribution of home mortgage loans is good and the distribution of small business loans is very poor. We placed more emphasis on the bank's home mortgage loans, but small business loan performance was still considered.

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

Overall, the distribution of home mortgage loans to borrowers of different income levels and businesses of different sizes in the Phoenix-Mesa-Scottsdale MSA AA is good. The borrower distribution of home purchase loans is excellent. However, the borrower distribution of home refinance loans is poor.

Refer to Tables 8 and 10 in the state of Arizona section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The distribution of the bank's home purchase loans in the Phoenix-Mesa MSA AA reflects excellent dispersion to LMI borrowers. The percentage of loans made to low-income borrowers significantly exceeded 2015 HMDA aggregate lending levels and the percentage of loans made to moderate-income borrowers exceeded 2015 HMDA aggregate lending levels. In addition, the percentage of loans made to low-income borrowers is near to the percentage of low-income families. The percentage of loans made to moderate-income borrowers exceeded the percentage of moderate-income families.

The borrower distribution of home refinance loans in the Phoenix-Mesa-Scottsdale MSA AA reflects poor dispersion to LMI borrowers. The percentage of loans to both LMI borrowers is lower than the 2015 HMDA aggregate lending levels and reflects poor performance. In addition, the distribution of these loans to both LMI borrowers is lower than the percentage of LMI families in the AA and is poor.

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

Refer to Table 11 in the state of Arizona section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

The distribution of the bank's loans to small businesses (businesses with gross annual revenues of \$1 million or less) in the Phoenix-Mesa-Scottsdale MSA assessment is very poor. The percentage of MOB's loans to small businesses is significantly lower than 2015 aggregate lending levels reflecting very poor performance. In addition, the percentage of the bank's loans to small businesses is lower than the percent of small businesses in the AA and is poor.

### **Community Development Lending**

Refer to Table 1 Lending Volume in the state of Arizona section of appendix D for the facts and data used to evaluate the bank's level of community development lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multifamily loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans.

In Arizona, MOB had a significantly positive level of CD loans and exhibited an excellent record of serving the credit needs of the most economically disadvantaged areas in its AAs and to LMI individuals.

The bank provided 40 community development loans totaling \$105.4 million in the Phoenix-Mesa-Scottsdale MSA, representing 238.7 percent of allocated Tier One Capital. This represents an excellent level of CD loans in this AA. The majority, or 61.1 percent of the bank's CD loans, helped provide affordable housing for LMI individuals; and 32.8 percent of the loans helped provide services to LMI individuals. While the CD loans were not innovative or complex, the dollar volume of CD loans provided in this AA was substantial. A few of the significant CD loans are detailed below:

- A \$5.0 million loan was used to renovate 232 apartment units for LMI individuals and families.
- A \$5.0 million loan was used to provide 365 apartment units. The tenant mix is typically individuals and families who are employed in service industries in the area. The project is consistent with the City of Phoenix's 2010-2015 Consolidated Plan regarding affordable housing

and special needs strategies. The goal is to provide housing affordability citywide and assistance to units located in areas that have fewer affordable housing choices.

- A \$6.0 million loan which provides 214 apartment units for LMI individuals and families. This project is also consistent with the City of Phoenix’s 2010 – 2015 Consolidated Plan.
- A \$10.3 million loan which provides 320 apartment units for LMI individuals and families. This project is consistent with the City of Phoenix’s Consolidated Plan.
- An \$11.6 million loan which was used to construct a healthcare facility that will provide services to a medically underserved population. The facility is located in a low-income census tract and is surrounded by low-income census tracts. The U.S. Department of Health and Human Services Health Resources and Services Administration has designated the area as medically underserved.

### **Community Development Loans – AZ Statewide**

In addition to qualified loans made within the bank’s AAs, MOB originated CD loans in the broader statewide area that includes the bank’s AAs.

The bank originated a \$4.0 million loan in the broader statewide area that had P/M/F to serve one or more of the bank’s AAs in the state. The loan was used to refinance single-family residences to be occupied by individuals who are Medicaid recipients. In addition, the bank originated two loans totaling \$6.7 million in the broader statewide area that had no P/M/F to serve one or more of the bank’s AAs in the state. A \$3.3 million loan for the refinancing of a Low-Income Housing Tax Credit (LIHTC) for a 148 unit apartment complex for LMI individuals and a \$3.4 million loan for a classroom expansion of an educational center for LMI youth.

### **Product Innovation and Flexibility**

The bank offers the Community First Loan, which is a flexible loan product designed to serve the needs of LMI individuals who are seeking a home mortgage loan. Over the review period, the bank generated 106 loans totaling over \$14.1 million in the AA. In addition, the bank originated 15 FHA mortgage loans totaling \$2.1 million and 17 VA mortgage loans totaling \$2.4 million. MOB also offers SBA lending programs.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited scope review of the Tucson MSA AA, the bank’s performance under the lending test overall is stronger than the bank’s overall “High Satisfactory” performance under the lending test in Arizona. While geographic distribution performance is substantially similar, borrower distribution of home refinance loans and small business loans is stronger. Conversely, performance in the Lake Havasu City-Kingman MSA AA was weaker than the bank’s performance under the lending test. The bank did not make sufficient loans of any type in the Lake Havasu City-Kingman MSA AA to allow for a meaningful analysis. It is important to note that the bank closed the branch in September 19, 2014. Performance in this AA did not affect the overall rating since this AA represented less than one percent of the total bank deposits.

Refer to the Tables 1 through 13 in the state of Arizona section of appendix D for the facts and data that support these conclusions.

## **INVESTMENT TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the investment test in Arizona is rated "Outstanding". Based on a full-scope review, the bank operates with an excellent level of investments in the Phoenix-Mesa-Scottsdale MSA AA.

Refer to Table 14 in the state of Arizona section of appendix D for the facts and data used to evaluate the bank's level of qualified investments.

During the evaluation period, MOB made 30 qualified CD investments and grants totaling \$5.5 million. In addition, the bank continues to hold three investments from the prior evaluation period, with a book value of \$2.3 million. Total investments equal 17.7 percent of Tier One Capital allocated to the Phoenix-Mesa-Scottsdale MSA AA, which represents an excellent level of qualified investments and grants.

The investments were responsive to identified needs in the AA, including affordable housing and revitalization/stabilization of LMI areas. Just over 87 percent supported affordable housing and approximately 12 percent provided funds for revitalization/stabilization of LMI areas. The remaining one percent provided funds for services to LMI and economic development.

None of the investments were innovative and the bank did not act as a leader.

### **Investments – AZ Statewide**

In addition to qualified investments made within the bank's AAs, MOB originated an investment in the broader statewide area.

The bank made a \$5 thousand grant that had a P/M/F to potentially benefit one or more of the bank's AAs in the state. The grant was to entity that provides small business development lending in Arizona.

### **Conclusions for Area Receiving Limited-Scope Reviews**

Based on a limited-scope review, the bank's performance under the investment test in the Tucson AZ MSA AA is consistent with the bank's overall "Outstanding" performance under the investment test in the state Arizona. Performance in the Lake Havasu-Kingman MSA AA is weaker as the bank did not make any investments in this AA. Performance in this AA did not affect the overall rating since this AA represented less than one percent of the total bank deposits.

Refer to the Table 14 in the state of Arizona section of appendix D for the facts and data that support these conclusions.

## SERVICE TEST

### Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the service test in Arizona is rated "High Satisfactory". Based on a full-scope review, the bank's performance in the Phoenix-Mesa-Scottsdale MSA AA is good.

#### Retail Banking Services

MOB currently operates four branches in the Phoenix-Mesa-Scottsdale MSA AA. The bank's branches are accessible to essentially all portions of the bank's AA. . Two of the bank's branches are located in moderate-income census tracts. This accounts for 50.0 percent of the bank's branches, which significantly exceeds percentage of the population that resides in moderate-income census tracts. In addition, another branch located in a middle-income census tract is near-to a moderate-income census tract. Near-to branches are those branches located within one-half mile of a low- or moderate-income census tract. The bank does not have any branches located in or near-to low-income census tracts. The percentage of the population located in low-income census tracts is approximately 8.4 percent of the AA's total population. MOB offers alternative delivery systems available to all individuals in the AA, including those located in low-income census tracts.

During the review period, the bank closed four branches in the AA. One of the branches was located in a moderate-income census tract, while the others were located in middle- and upper-income census tracts. However, the bank entered the Phoenix market with the acquisition of a failed financial institution; and since the prior evaluation period, MOB has continued to consolidate branches based on economic reasons.

Branch hours and services do not vary in a way that would inconvenience portions of the AA, particularly LMI individuals or geographies. Services offered and banking hours are comparable among locations regardless of the income level of the geography.

Management complements its traditional service delivery methods with certain alternative delivery processes, including mobile banking, ATMs, and telephone banking. These delivery methods provide increased access to banking services throughout all areas in the AA. We placed no significant weight on these alternative delivery systems as the bank did not maintain metrics to determine their effectiveness in helping to meet the banking needs of LMI individuals.

MOB has one branded ATM in the AA. The ATM is located in a middle-income census tract. The bank is partnered with *MoneyPass*, a network that offers 22,000 ATMs nationwide. Use of these ATMs is surcharge-free to all MOB customers. *MoneyPass* has an iPhone and Android ATM locator application for customer convenience. Among the 70 deposit-taking ATMs in the AA, one is located in a low-income census tract and 11 are located in moderate-income census tracts. This delivery method provides increased access to banking services to customers residing or working in these LMI census tracts.

Refer to Table 15 in the state of Arizona section of appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

## **Community Development Services**

MOB provided an excellent level of CD services in the Phoenix-Mesa-Scottsdale MSA. In total, 19 employees provided 818 hours of CD services to 12 CD organizations in the AA. Of this total, 463 hours were devoted to serving as directors or committee members; 85 hours were devoted to providing financial literacy, and 158 hours were devoted to fund raising. While the services were not innovative, the services were responsive to stated needs in the community, which includes providing financial literacy to LMI individuals and technical assistance to small business owners. In addition, one of the bank employees provided leadership by serving on the steering committee for a new CD organization, which will primarily serve LMI children.

## **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the service test in the Tucson MSA AA is consistent with the bank's overall "High Satisfactory" performance under the service test in the state of Arizona. The bank's performance in the Lake Havasu-Kingman MSA AA is weaker. The bank closed its sole branch in the Lake Havasu-Kingman MSA AA in September 19, 2014. In addition, the bank did not provide any CD services during the review period. Performance in this AA did not affect the overall rating since this AA represented less than one percent of the total bank deposits.

Refer to Table 15 in the state of Arizona section of appendix D for the facts and data that support these conclusions.

## State of California

<b>CRA Rating for California:</b>	<b>Satisfactory</b>
<b>The Lending Test is rated:</b>	<b>Low Satisfactory</b>
<b>The Investment Test is rated:</b>	<b>Outstanding</b>
<b>The Service Test is rated:</b>	<b>Needs to Improve</b>

The major factors that support this rating include:

- The dollar volume of lending in the AA reflect good responsiveness to AA credit needs;
- The geographic distribution of home mortgages is adequate in the San Diego-Carlsbad-San Marcos CA MSA AA;
- The borrower distribution is adequate, when considering the poverty rate of LMI individuals in the AA;
- The CD lending level had a negative impact on the overall lending test in the San Diego-Carlsbad-San Marcos CA MSA AA;
- An excellent level of qualified investments that were responsive to community needs;
- A branch distribution that was accessible to limited portions of the bank's AA; and
- A poor level of CD services.

## Description of Institution's Operations in California

MOB has two AAs within the state of California. These AAs include the San Diego-Carlsbad-San Marcos CA MSA AA comprised of San Diego County and the Riverside-San Bernardino-Ontario CA MSA AA comprised of San Bernardino County. The MOB branch located in the Riverside-San Bernardino-Ontario CA MSA AA closed on February 27, 2015. MOB opened a branch in the Los Angeles-Long Beach-Glendale CA MSA AA on February 27, 2015. However, the Los Angeles-Long Beach-Glendale CA MSA AA was not included in this CRA evaluation as it was open less than 50 percent of the CRA evaluation review period.

The bank provides a full range of loan and deposit products to all AAs. MOB has two branches within the state of California, representing 6.7 percent of the bank's total branch network. There was one branch closing and one branch opening in the state during the evaluation period. The branch closure was due to poor performance and/or business reasons. MOB has no ATMs in the state. As of June 30, 2016, there were 226 financial service providers with branches in the state of California. MOB ranked 213<sup>th</sup> in the state in deposits, resulting in a nominal deposit market share. MOB's statewide deposits totaled \$36.4 million.

San Diego-Carlsbad-San Marcos CA MSA AA

As of June 30, 2016, there were 53 financial service providers with branches in the AA. MOB ranked 46<sup>th</sup> in AA deposits of \$18.3 million, representing a 0.02 percent deposit market share. The banking industry is highly competitive in the AA, considering the top five banks hold 72.5 percent of the deposit market share based on the June 30, 2016 FDIC Deposit Market Share data. The five largest competitors include Wells Fargo Bank, N.A., Bank of America, N.A., JP Morgan Chase Bank, N.A., MUFG Union Bank, N.A., and BofI Federal Bank.

Riverside-San Bernardino-Ontario MSA AA

MOB had a presence in this AA until February 27, 2015, when the bank exited the market and closed the only branch in the AA. As of June 30, 2014 there were 39 financial service providers with branches in the AA. MOB ranked 34<sup>th</sup> in AA deposits of \$17.4 million, representing a 0.10 percent deposit market share. The banking industry is highly competitive in the AA, considering the top five banks hold 68.7 percent of the deposit market share based on the June 30, 2014 FDIC Deposit Market Share data. The five largest competitors in the AA include Bank of America, N.A., Wells Fargo Bank, N.A., JP Morgan Chase Bank, N.A., Citizens Business Bank, and U.S. Bank, N.A.

Refer to the market profiles for the state of California in appendix C for detailed demographics and other performance context information for AAs that received full-scope reviews.

**Scope of Evaluation in California**

We performed a full-scope review of the San Diego-Carlsbad-San Marcos CA MSA AA due to the higher level of deposits and reportable lending in the state. Based on its lesser volumes of deposits and reportable lending, we conducted a limited-scope review of the Riverside-San Bernardino-Ontario CA MSA. As noted earlier, we did not evaluate the Los Angeles-Long Beach-Glendale CA MSA because the branch location in this AA was open for less than 50 percent of the evaluation period.

We reviewed a community contact which was a non-profit organization that provides small business lending for the San Diego-Carlsbad-San Marcos CA MSA AA. The contact indicated an ongoing need for small business working capital loans and business expansion.

Refer to the tables in appendix A for more information on the California AAs.

**LENDING TEST****Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the lending test in California is rated "Low Satisfactory". Based on a full-scope review of the bank's performance in the San Diego-Carlsbad-San Marcos CA MSA AA is adequate. In performing our analysis, we placed greater weight on the bank's home mortgage lending, as this loan category represents the largest portion of the bank's reportable lending. The level of community development lending had a negative impact on the lending performance.

## **Lending Activity**

Lending activity in the state of California is good, considering the high level of competition for all types of loans in the bank's AA and the bank's business strategy. The bank's performance in originating home mortgage loans is good. This conclusion is based on the full-scope review of the San Diego-Carlsbad-San Marcos CA MSA AA.

Refer to Table 1 Lending Volume in the state of California section of appendix D for the facts and data used to evaluate the bank's lending activity.

The bank's performance in home mortgage lending in the San Diego-Carlsbad-San Marcos CA AA is good. MOB did not originate enough home mortgage products in the limited-scope AA to conduct a meaningful analysis of home mortgage lending activity.

Based upon the FDIC Summary of Deposit report on June 30, 2015, MOB had a deposit market share of 0.03 percent in the San Diego-Carlsbad-San Marcos CA AA, ranking 44<sup>th</sup> among 50 financial institutions in the AA. According to 2015 peer mortgage data, MOB achieved a 0.06 percent market share for home purchase lending. The bank was ranked 148<sup>th</sup> out of 551 lenders in the San Diego-Carlsbad-San Marcos CA AA for home purchase originations. This ranks the bank in the top 27<sup>th</sup> percentile of all home purchase lenders in the San Diego-Carlsbad-San Marcos CA MSA AA and exceeds their overall deposit market share ranking in the AA. The top five home purchase lenders were Wells Fargo Bank, NA; JPMorgan Chase Bank, NA; Caliber Home Loans; GMG Mortgage, Inc; and US Bank, NA. These lenders combined market share account for 25.4 percent of home purchase activity in the AA.

MOB exhibited good performance providing home refinance loans to the San Diego-Carlsbad-San Marcos CA AA. According to 2015 peer mortgage data, MOB achieved a 0.04 percent market share for home refinance lending. MOB ranked 193<sup>rd</sup> among 596 lenders making home refinance loans in the San Diego-Carlsbad-San Marcos CA AA. This ranks the bank in the top 32<sup>nd</sup> percentile of all home refinance lenders in the San Diego-Carlsbad-San Marcos CA AA and exceeds their overall deposit ranking in the AA. The top five home refinance lenders were Wells Fargo Bank, NA; JPMorgan Chase Bank, NA; Quicken Loans; Bank of America, NA; and LoanDepot.com. The top five home refinance lenders in the AA had an overall market share of 26.85 percent.

MOB did not originate a sufficient level of small loans to businesses in the San Diego-Carlsbad-San Marcos CA MSA AA to conduct a meaningful analysis.

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

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

The geographic distribution of home mortgage loans is adequate.

Refer to Tables 2, 4, and 5 in the state of California section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations/purchases.

In evaluating the geographic distribution of home mortgage loans in the AA, it is important to note that, according to the 2010 U.S. Census data, of the 628 census tracts in the San Diego-Carlsbad-San Marcos

CA MSA, 63 are low-income (10.0 percent of total census tracts) and 134 are moderate income (21.3percent of total census tracts). Only 3.3 percent of the total owner-occupied housing units in the AA are located in the low-income tracts or 19,643 housing units. Of the total housing units in the low-income geographies, rental and vacant units account for a total of 79.8 percent or 77,712 housing units. Owner-occupied housing in the moderate-income census tracts represent 21.6 percent of the AA's total or 85,043 housing units. Rental and vacant units in the moderate-income geographies account for 63.80 percent of the total housing units or 149,880 housing units. Based on these statistics and the significant competition from very large institutions with significant mortgage lending operations in the AA, there were limited opportunities for residential lending in the LMI geographies. In addition, MOB does not conduct outreach to potential borrowers for mortgage loans.

The geographic distribution of home mortgage lending is adequate. The percentage of loans made in low-income geographies exceeded the 2015 HMDA aggregate for lending in low-income geographies and reflects excellent performance. The percentage of home purchase lending made in moderate-income geographies is lower than the 2015 HMDA aggregate lending in moderate-income geographies. The percentage of loans made in low-income geographies is equal the percentage of owner-occupied loans in low-income geographies. The percentage of home purchase loans made in moderate-income geographies is somewhat lower than the percentage of owner-occupied loans in moderate-income geographies.

The overall geographic distribution of home refinance loans is poor. The percentage of home refinance loans made in LMI geographies is lower than the 2015 HMDA aggregate lending in LMI geographies. The percentage of home refinance loans made in LMI geographies is somewhat lower than the percentage of owner occupied housing in those geographies.

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

Refer to Table 6 in the state of California section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

MOB did not originate a sufficient volume of small loans to businesses in the San Diego-Carlsbad-San Marcos CA MSA AA to perform a meaningful analysis.

### ***Lending Gap Analysis***

We reviewed summary reports and maps detailing MOB's lending activity over the evaluation period for home mortgage and small business activity to identify gaps in the geographic distribution of those loans. We did not identify any unexplained conspicuous gaps.

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

The borrower distribution of the bank's lending is adequate. Home mortgage loan performance was adequate. MOB did not originate a sufficient volume of small loans to businesses in the San Diego-Carlsbad-San Marcos CA MSA AA to perform a meaningful analysis.

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

The borrower distribution of home mortgage loans is adequate.

Refer to Tables 8 and 10 in the state of California section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

We also considered the affordability of housing for LMI individuals and families in the AA when arriving at our conclusions. Home ownership can be difficult due to high median housing prices compared to median family incomes. According to the 2010 U.S. Census, the median housing value was \$496,417. The high cost of purchasing a home in this AA may negatively affect the ability of low- and moderate-income individuals to qualify for mortgage loans and limit bank lending opportunities. The cost of housing relative to the median family income would prevent home ownership for many low- and moderate-income families, given their maximum annual income of \$36,500 and \$58,400, respectively.

The borrower distribution of home purchase loans is adequate. The percentage of loans to low-income borrowers is somewhat lower than the 2015 HMDA aggregate lending to low-income borrowers and reflects adequate performance. The percentage of loans made to moderate-income borrowers is lower than the 2015 HMDA aggregate lending to moderate-income borrowers in the San Diego-Carlsbad-San Marcos CA AA reflecting poor performance. The percentage of loans made to LMI borrowers is significantly lower than the percentage of LMI families in the AA. This performance did not impact the overall home purchase conclusion, based on performance context factors.

The borrower distribution of home refinance lending is adequate. The percentage of home refinance loans made to low-income borrowers is near to the 2015 HMDA aggregate lending to low-income borrowers and reflects good performance. The percentage of loans made to moderate-income borrowers is lower than the 2015 HMDA aggregate lending to moderate-income borrowers in the AA, reflecting poor performance. The percentage of loans made to LMI borrowers is lower than the percentage of LMI families living in the AA. This performance did not impact the overall home refinance conclusion, based on performance context factors.

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

Refer to Table 11 in the state of California section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

MOB did not originate a sufficient volume of small loans to businesses in the San Diego-Carlsbad-San Marcos CA MSA AA to perform a meaningful analysis.

### **Community Development Lending**

Refer to Table 1 Lending Volume in the state of California section of appendix D for the facts and data used to evaluate the bank's level of community development lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multifamily loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

Community development lending has a negative impact on lending performance in the San Diego-Carlsbad-San Marcos CA MSA AA. During the evaluation period, MOB did not report any community development lending in the San Diego-Carlsbad-San Marcos CA AA. MOB made one CD loan in the

Riverside-San Bernardino-Ontario CA MSA AA. The \$1.8 million CD loan provided a community service. The loan was made to expand a medical clinic residing in a moderate-income geography that primarily serves LMI individuals in the San Bernardino-Carlsbad-San Marcos CA MSA AA.

### **Community Development Loans – CA Statewide**

In addition to qualified loans made within the bank’s AAs, MOB originated CD loans in the broader statewide area that includes the bank’s Los Angeles-Long Beach-Glendale CA MSA. As noted previously, this AA was not included for analysis in this evaluation as it was open less than 50 percent of the evaluation period. However, MOB originated ten CD loans with P/M/F to serve the Los Angeles-Long Beach-Glendale CA MSA totaling \$16.4 million. Six loans totaling \$10.9 million were for affordable housing for LMI individuals and four loans totaling \$7.4 million were for community services.

### **Product Innovation and Flexibility**

MOB offers flexible loan programs such as Community First Home Loan Product, Federal Housing Administration (FHA), and Veteran’s Administration (VA) loan products. The Community First Home Loan Product offers alternative financing to first-time homebuyers and individual with limited credit history. The program also offers up to 100 percent financing and does not require the borrower to purchase private mortgage insurance. The FHA program provides home financing for people with smaller down payments and lower credit scores. The VA program offers low government rates for VA eligible personnel. These lending programs generated 38 loans totaling \$13.7 million in the San Diego-Carlsbad-San Marcos CA MSA AA.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank’s performance under the lending test in the Riverside-San Bernardino-Ontario MSA AA is consistent with the bank’s overall “Low Satisfactory” performance under the lending test in state of California.

Refer to the Tables 1 through 13 in the state of California section of appendix D for the facts and data that support these conclusions.

## **INVESTMENT TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank’s performance under the investment test in the state of California is rated is rated “Outstanding”. Based on a full scope review, the bank’s performance in the San Diego-Carlsbad-San Marcos CA MSA AA is excellent.

Refer to Table 14 in the state of California section of appendix D for the facts and data used to evaluate the bank’s level of qualified investments.

The bank’s performance in providing qualified CD investments and grants in the San Diego-Carlsbad-San Marcos CA MSA AA is excellent. During the evaluation period the bank made six qualified CD

investments and grants totaling \$1.4 million. The bank focused their investments on affordable housing. MOB provided three affordable housing investments in the San Diego-Carlsbad-San Marcos CA MSA AA totaling \$1.4 million. In addition to affordable housing investments, MOB also made three grants totaling \$15 thousand that focused on community service. MOB also had one prior period affordable housing investment totaling \$177 thousand. Qualified CD investments and grants represented 81.9 percent of allocated Tier One Capital in the AA.

Overall, the Bank's community development investments are responsive to AA needs, primarily addressing the need of affordable housing for LMI individuals. The investments are not innovative or complex.

### **Investments – CA Statewide**

MOB originated ten qualifying investments totaling \$5.3 million in the broader statewide area that had a P/M/F to potentially benefit one or more of the bank's AAs in the state. MOB made three CD investments dedicated to affordable housing totaling \$5.33 million and seven grants totaling \$27 thousand for community service. When considering these investments along with all other investments in the full- and limited-scope areas, the total dollar amount represented 146.3 percent of allocated Tier One Capital in the state.

### **Conclusions for Area Receiving Limited-Scope Reviews**

Based on a limited scope review, the bank's performance under the investment test in the Riverside-San Bernardino-Ontario CA MSA AA is weaker than the bank's overall performance in the state of California. The bank did not report any qualified CD investments in the AA. The negative impact is not enough to impair the overall investment test "Outstanding" rating in the state of California.

Refer to Table 14 in the state of California section of appendix D for the facts and data that support these conclusions.

## **SERVICE TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the service test in California is rated "Needs to Improve". Based on a full scope review, the bank's performance in the San Diego-Carlsbad-San Marcos CA MSA AA is poor.

### **Retail Banking Services**

Refer to Table 15 in the state of California section of appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

Branch delivery systems are accessible to limited portions of the San Diego-Carlsbad-San Marcos CA MSA AA. MOB has one branch located in the AA. This branch is located in an upper-income census tract and is not near to low- or moderate-income census tracts. MOB does not have an ATM at the branch location.

During the evaluation period, there were no branch closings or openings in the AA. The bank's record of opening and closing branches had neutral affect on accessibility of its delivery systems, particularly to LMI level individuals and geographies. The branch in the San Diego-Carlsbad-San Marcos CA MSA AA is open Monday to Friday from 9 a.m. to 4 p.m.

In addition to traditional branch services, MOB has alternative systems in place to accommodate customers after hours and on weekends. These alternative systems include mobile banking (including mobile deposits), online banking, online bill pay, and 24 hour customer service via phone. The bank has also partnered with *MoneyPass*, a network that offers 22,000 ATMs across the U.S. The use of these ATMS is surcharge-free to all MOB depositors. *MoneyPass* has an iPhone and Android ATM locator app for customer convenience. Among the 86 deposit-taking ATMs in the AA, three are located in a low-income census tract and 23 are located in moderate-income census tracts. This delivery method provides increased access to banking services to customers residing or working in these LMI census tracts.

### **Community Development Services**

The bank provided an adequate amount of CD services in the AA. MOB employees provided 69 hours of financial literacy and technical assistance benefitting four organizations in the AA throughout the evaluation period. Financial literacy training consisted of bank employees teaching the Basics of Budgeting curriculum offered by Operation HOPE.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on a limited scope review, the bank's performance under the service test in the Riverside-San Bernardino-Ontario CA MSA AA is consistent with the bank's overall 'Needs to Improve' performance under the service test in the state of California. The branch located in this AA closed on February 27, 2015.

Refer to Table 15 in the state of California section of appendix D for the facts and data that support these conclusions.

## State of Colorado

<b>CRA Rating for Colorado:</b>	<b>Satisfactory</b>
<b>The Lending Test is rated:</b>	<b>High Satisfactory</b>
<b>The Investment Test is rated:</b>	<b>Outstanding</b>
<b>The Service Test is rated:</b>	<b>Low Satisfactory</b>

The major factors that support this rating include:

- An adequate level of lending for home mortgage loans and small loans to businesses;
- An overall adequate geographic distribution of lending with good distribution of small loans to businesses that was offset by a poor distribution of home mortgage loans;
- An overall good distribution on borrower income with a good distribution for both home mortgage loans and small loans to businesses;
- An excellent level of community development lending that was responsive to the community development needs in the AAs and had a positive impact on the lending test;
- An excellent level of qualified community development investments that reflects excellent responsiveness to the credit and community development needs in the AA;
- Retail service delivery systems are reasonably accessible to geographies and individuals of different income levels in the AA; and
- A relatively high level of community development services that are responsive to the CD service needs in the AA.

## Description of Institution's Operations in Colorado

MOB currently has one AA in the state of Colorado – the Denver-Aurora-Lakewood CO MSA. The Denver-Aurora-Lakewood CO MSA comprises Arapahoe, Denver, and Douglas Counties. During the review period, the bank also operated a branch in the Boulder MSA, which was comprised of Boulder County. However, MOB exited the market and closed the branch in October 24, 2014. In total, MOB closed seven branches in the state of Colorado and opened one branch during the evaluation period.

Since the 2012 CRA evaluation, the bank substantially revised the Denver-Aurora-Lakewood CO MSA AA in the state of Colorado. In 2012-2013 the AA included Clear Creek, Denver, Douglas, and Jefferson Counties. In 2014, the AA comprised Arapahoe, Clear Creek, Denver, Douglas, and Jefferson Counties. During the review period, the bank sold all six of its previous branches and opened one in a moderate-income census tract in Arapahoe County. As a result of the branch activity, MOB revised the AA in 2015 to include only Arapahoe, Denver, and Douglas Counties. Currently, the bank operates only one branch within the state, which represents three percent of MOB's total branch network. The bank does not operate any ATMs in the state of Colorado. As of June 30, 2016, there were 63 financial services

providers with branches in the state. MOB ranked 42<sup>nd</sup> representing a 0.08 percent market share. Colorado represents one of MOB's smaller markets with total deposits representing 0.75 percent of the bank's total deposits and 6.3 percent of the bank's reportable (home mortgage and CRA) loans.

Refer to the market profiles for the state of Colorado in appendix C for detailed demographics and other performance context information for AAs that received full-scope reviews.

## **Scope of Evaluation in Colorado**

We conducted a full-scope review of the Denver-Aurora-Lakewood CO MSA. Total loans in this AA represent 89.9 percent of the total HMDA and CRA loans reported in Colorado during the evaluation period, and 86.4 percent of the total deposits gathered in the state as of June 30, 2014, which was just prior to Boulder MSA AA branch closure on October 24, 2014. Performance in the Boulder MSA AA had minimal impact on the bank's overall performance. For the evaluation period, the Boulder MSA AA represented less than one percent of total bank deposits and less than 13.6 percent of the bank's total Colorado deposits as of June 30, 2014.

We reviewed one community contact in the state of Colorado. This organization's mission is to provide housing and successful home ownership affordable to LMI Colorado residents. Specifically, the organization provides down payment assistance to families making 80.0 percent or less of the annual medium income. The organization also provides financial counseling and home buyer education. The community contact said there is a need for financial institutions to work with LMI families regarding housing needs. Projects, such as affordable apartment development, that provide rental housing for LMI families are needed. There are also opportunities to provide grants as well as financial education to LMI individuals.

Refer to the tables in appendix A for more information on the Colorado AAs.

## **LENDING TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

MOB's performance under the lending test in the state of Colorado is rated "High Satisfactory". Based on a full-scope review, the bank's performance in the Denver-Aurora-Lakewood CO MSA AA is good. We placed the most weight on the bank's lending during the 2012-2013 review period, as the bank originated and/or purchased 71.0 percent of the reportable HMDA and CRA loans during this review period. Furthermore, the volume of loans in 2015 was insufficient to perform a meaningful analysis. In the fall of 2014, the bank closed its mortgage operations and entered into a correspondent relationship with Guild Mortgage, an affiliate company. The new business strategy impacted mortgage lending volume across the enterprise with a decrease in overall HMDA lending.

### **Lending Activity**

The bank's overall lending activity in the state of Colorado is adequate. Lending activity in the Denver-Aurora-Lakewood CO MSA AA is adequate, particularly considering the strong competition for both home mortgage and small business lending in the AA, with significantly more financial institutions competing for loans than for deposits.

Refer to Table 1 Lending Volume in the state of Colorado section of appendix D for the facts and data used to evaluate the bank's lending activity.

### 2012-2013

Based on 2013 FDIC Deposit Market Share data, the bank had a deposit market share of 0.52 percent and ranked 19<sup>th</sup> among 54 depository institutions in this AA. Data shows 502 home purchase lenders and 534 home refinance lenders. For home purchase lending, MOB ranked 97<sup>th</sup> with a market share of 0.17 percent. For home refinance loans, the bank ranked 96<sup>th</sup> with a market share of 0.15 percent.

Competition for small business lending was somewhat strong with 121 lenders in this AA. The bank ranked 39<sup>th</sup> with a market share of 0.07 percent.

### 2014

Based on 2014 FDIC Deposit Market Share data, the bank had a market share of 0.43 and ranked 22<sup>nd</sup> among 65 depository banks in this AA.

There were 598 home purchase lenders and 514 home refinance lenders in the AA in 2014. For home purchase lending, MOB ranked 119<sup>th</sup> with a market share of 0.14 percent. For home refinance lending, MOB ranked 208<sup>th</sup> with a market share of 0.02 percent.

The bank did not make a sufficient level of small business loans in 2014 to perform a meaningful analysis.

### 2015

Based on 2015 FDIC Deposit Market Share data, the bank had a market share of 0.13 percent and ranked 38<sup>th</sup> among 62 depository financial institutions in this AA.

The bank did not make sufficient loans of HMDA or CRA reportable loans in 2015 to perform a meaningful analysis.

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

The geographic distribution of the bank's lending is adequate. Lending performance was poor for home mortgage loans and good for small business lending.

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

The geographic distribution of home mortgage loans is poor.

Refer to Tables 2, 4, and 5 in the state of Colorado section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations/purchases.

In evaluating the geographic distribution of home loans in the AA, it is important to note that, according to the 2010 U.S. Census, of the 346 census tracts in the 2012-2013 Denver-Aurora-Lakewood CO MSA AA, 37 were low-income (10.7 percent of total census tracts) and 67 were moderate-income (19.4 percent of total census tracts). Only 6.3 percent of the total owner-occupied housing units (23,751) in the AA were located in the low-income tracts. Of the total housing units in the low-income geographies, rental

and vacant units account for a total of 64.7 percent or 43,538 housing units. Owner-occupied housing units in the moderate income census tracts represent 16.1 percent of the AA's total housing units (60,311). Rental and vacant units in moderate-income geographies account for 52.3 percent of the total housing units or 66,248 housing units. Based on these statistics and the significant competition from very large institutions with significant mortgage lending operations in the AA, the bank had somewhat limited opportunities for residential lending in the LMI geographies. In addition, MOB does not conduct outreach to potential borrowers for mortgage loans.

### Home Purchase

#### 2012 - 2013

The geographic distribution of home purchase loans in the Denver-Aurora-Lakewood CO MSA AA during the 2012-2013 review period is poor. The percentage of loans in low-income census tracts was lower than 2013 HMDA aggregate lending levels and reflects poor performance. The percentage of home purchase loans made by the bank in moderate-income census tracts is somewhat lower than 2013 HMDA aggregate lending levels and reflects adequate performance. In addition, the percentage of loans made in low-income census tracts is significantly lower than the percentage of owner-occupied units in those tracts and reflects very poor performance. The percentage of home purchase loans made in moderate-income census tracts was somewhat lower than the percentage of owner-occupied units and reflects adequate performance.

#### 2014

The geographic distribution of home purchase loans in the Denver-Aurora-Lakewood CO MSA AA during the 2014 review period is excellent. The percentage of loans significantly exceeded the 2014 HMDA aggregate lending levels in low-income census tracts and exceeded the 2014 HMDA aggregate lending in moderate-income census tracts. In addition, the percentage of loans in low-income census tracts significantly exceeds the percentage of owner-occupied units in those tracts and the percentage of loans in moderate-income census tracts exceeds the percentage of owner-occupied units, which reflects excellent performance.

#### 2015

MOB did not have a sufficient volume of home purchase loans in 2015 to conduct a meaningful analysis.

### Home Refinance

#### 2012-2013

The geographic distribution of home refinance loans in the Denver-Aurora-Lakewood CO MSA AA during the 2012-2013 review period was poor. The percentages of home refinance loans in both LMI census tracts were lower than 2013 HMDA aggregate lending and reflects poor performance. In addition, the percentages of loans made in both LMI census tracts were lower than the percentage of owner-occupied units in these tracts.

#### 2014

The geographic distribution of home refinance loans originated or purchased in the Denver-Aurora-Lakewood CO MSA AA during the 2014 review period is adequate. The percentage of home refinance loans made in low-income census tracts was lower than 2014 HMDA aggregate lending and reflects poor performance. The percentage of these loans made in moderate-income census tracts was near 2014 HMDA aggregate lending levels and reflected good performance. In addition, the percentage of loans

made in low-income census tracts was lower than the percentage of owner-occupied units reflecting poor performance. The percentage of loans made in moderate-income census tracts was somewhat below the percentage of owner-occupied units, reflecting adequate performance.

#### 2015

The bank did not originate sufficient home refinance loans in the Denver-Aurora-Lakewood CO MSA AA during 2015 to perform a meaningful analysis.

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

The geographic distribution of small loans to businesses is good.

Refer to Table 6 in the state of Colorado section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

#### 2012 - 2013

The geographic distribution of small business loans originated or purchased in the Denver-Aurora-Lakewood CO MSA AA during the 2012-2013 review period is good. The percentage of small business loans in low-income census tracts was somewhat lower than aggregate lending levels and reflected adequate performance. The percentage of small business loans in moderate-income census tracts exceeded aggregate lending levels and reflected excellent performance. In addition, the percentage of small business loans in low-income census tracts was near the percentage of businesses located in these tracts and reflected good performance. The percentage of these loans significantly exceeded the percentage of businesses located in these tracts and also reflected excellent performance.

#### 2014

The bank did not originate sufficient small business loans in the Denver-Aurora-Lakewood CO MSA AA during 2014 to perform a meaningful analysis.

#### 2015

The bank did not originate sufficient small business loans in the Denver-Aurora-Lakewood CO MSA AA during 2015 to perform a meaningful analysis.

#### ***Lending Gap Analysis***

We reviewed summary reports and maps and analyzed MOB's home mortgage and small business activity over the evaluation period to identify any gaps in the geographic distribution of loans. We did not identify any unexplained conspicuous gaps.

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

The distribution of lending by income level of the borrower is good. The distribution of both home mortgage loans and small loans to businesses is good.

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

The borrower distribution of home mortgage loans is good.

Refer to Tables 8 and 10 in the state of Colorado section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

We also considered affordability and poverty rates of LMI families in the AA when arriving at our conclusions. Home ownership can be difficult due to high median housing prices compared to median family incomes. According to the 2010 U.S. Census for the AA, the median housing value was \$290,061. The high cost of purchasing a home in this AA may negatively affect the ability of low- and moderate-income individuals to qualify for mortgage loans and limit bank lending opportunities. The cost of housing relative to the median family income would prevent home ownership for many low- and moderate-income families. For 2012 - 2013, annual income for low- and moderate-income families were \$38,900 and \$62,240, respectively. In 2014, low- and moderate-income levels were \$38,350 and \$61,360, respectively. Based on 2010 U.S. Census data, 8.03 percent of the families in the 2012-2013 Denver-Aurora-Lakewood CO MSA AA were below poverty level.

### Home Purchase

#### 2012-2013

The distribution of the bank's home purchase loans in 2012-2013 in the Denver-Aurora-Lakewood CO MSA AA reflects good dispersion to LMI borrowers. The percentage of home purchase loans to low-income borrowers exceeded 2013 HMDA aggregate lending levels and reflected excellent performance. The percentage of these loans to moderate-income borrowers was near to 2013 HMDA aggregate lending levels and reflected good performance. The percentage of home purchase loans to low-income borrowers was lower than the percentage of low-income families in the AA and was poor performance. However, the percentage of these loans to moderate-income borrowers exceeded the percentage of moderate-income families in the AA and reflected excellent performance.

#### 2014

The distribution of MOB's home purchase loans in 2014 in the Denver-Aurora-Lakewood CO MSA AA reflects good dispersion to LMI borrowers. The percentage of home purchase loans to both LMI borrowers is near to 2014 HMDA aggregate lending levels and reflected good performance. In addition, the percentage of loans to low-income borrowers was lower than the percentage of low-income families and reflected poor performance. However, the percentage of the bank's loans to moderate-income borrowers exceeded the percentage of moderate-income families reflecting excellent performance.

#### 2015

The bank did not originate sufficient home purchase loans in 2015 in the Denver-Aurora-Lakewood MSA AA to perform a meaningful analysis.

### Home Refinance

#### 2012-2013

The distribution of the bank's home refinance loans in 2012-2013 in the Denver-Aurora-Lakewood MSA AA reflects adequate dispersion to LMI borrowers. The percentage of home refinance loans to low-income borrowers was lower than 2013 HMDA aggregate lending levels reflecting poor performance. The percentage of loans to moderate-income borrowers was near to 2013 HMDA aggregate lending levels reflecting good performance. The percentage of these loans to low-income

borrowers is lower than the percentage of low-income families and reflected poor performance, but the percentage of these loans to moderate-income borrowers exceeded the percentage of moderate-income families reflecting excellent performance.

#### 2014

The distribution of the bank's home refinance loans in 2014 in the Denver-Aurora-Lakewood CO MSA reflects excellent dispersion to LMI borrowers. The percentage of home refinance loans to LMI borrowers exceeds 2014 HMDA aggregate lending levels reflecting excellent performance. The percentage of home refinance loans to low-income borrowers is below the number of low-income families in the AA, but it is adequate. The percentage of these loans to moderate-income borrowers exceeds the number of moderate-income families and is excellent.

#### 2015

The bank did not originate sufficient home refinance loans in 2015 in the Denver-Aurora-Lakewood CO MSA to perform a meaningful analysis.

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

Refer to Table 11 in the state of Colorado section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

The distribution of small loans to businesses (businesses with gross annual revenues of \$1 million or less) in the Denver-Aurora-Lakewood CO MSA AA is good. This is based on 2012-2013 lending performance. The bank did not originate a sufficient number of small loans to businesses in 2014 or 2015 to perform a meaningful analysis.

#### 2012-2013

The distribution of the bank's loans to small businesses in the Denver-Aurora-Lakewood CO MSA AA is good. The percentage of the bank's loans exceeds the aggregate lending levels and is excellent. The percentage of the bank's loans is lower than the percentage of small businesses, but considered adequate.

#### 2014

The bank did not originate sufficient small loans to businesses in 2014 in the Denver-Aurora-Lakewood CO MSA AA to perform a meaningful analysis.

#### 2015

The bank did not originate sufficient small loans to businesses in 2015 in the Denver-Aurora-Lakewood CO MSA AA to perform a meaningful analysis.

#### **Community Development Lending**

Refer to Table 1 Lending Volume in the state of Colorado section of appendix D for the facts and data used to evaluate the bank's level of community development lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic

lending data on all multifamily loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

The bank originated three community development loans totaling \$15.2 million in the Denver-Aurora-Lakewood CO MSA, representing 315.4 percent of allocated Tier One Capital. This represents an excellent level of CD loans in the AA. One loan, which represents 75.7 percent of the bank's CD loans in the AA, helped provided for revitalization of an area designated as such by the City of Denver. The remaining two loans help promote economic development. The loans were responsive to some of the community development needs in the AA. However, the loans were not considered innovative or complex.

The volume and responsiveness of the CD loans in the Denver-Aurora-Lakewood CO MSA AA and the CD loan in the Boulder MSA AA have a significantly positive impact on the bank's lending test rating.

### **Loans – CO Statewide**

In addition to qualified CD loans made within the bank's AA, MOB also made three loans totaling \$8.8 million in the broader statewide area that did not have P/M/F to potentially benefit any of the bank's AAs. A \$4.7 million affordable housing loan was for the renovation of a 118-unit apartment complex situated in a low-income census tract. Two loans totaling \$4.2 million promoted economic development by providing permanent jobs for LMI individuals.

### **Product Innovation and Flexibility**

MOB offers flexible loan programs such as Community First Home Loan Product, Federal Housing Administration (FHA), and Veteran's Administration (VA) loan products. The Community First Home Loan Product offers alternative financing to first-time homebuyers and individual with limited credit history. The program also offers up to 100 percent financing and does not require the borrower to purchase private mortgage insurance. The FHA program provides home financing for people with smaller down payments and lower credit scores. The VA program offers low government rates for VA eligible personnel. These lending programs generated 71 loans totaling \$13.8 million in the Denver-Aurora-Lakewood CO MSA AA.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on a limited-scope review, the bank's performance under the lending test in the Boulder MSA AA is weaker than the bank's overall "High Satisfactory" performance under the lending test in the state of Colorado. Geographic distribution in low-income census tracts and borrower distribution to low-income borrowers was weaker. This had limited impact on the overall lending test rating as the bank branch closed on October 24, 2014.

Refer to the Tables 1 through 13 in the state of Colorado section of appendix D for the facts and data that support these conclusions.

## **INVESTMENT TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

MOB's performance under the investment test in the state of Colorado is rated "Outstanding". Based on a full-scope review, the bank's performance in the Denver-Aurora-Lakewood CO MSA AA is excellent

Refer to Table 14 in the state of Colorado section of appendix D for the facts and data used to evaluate the bank's level of qualified investments.

During the evaluation period, MOB provided 15 qualified CD investments and grants totaling \$3.3 million. This total includes three prior period investments totaling over \$1.2 million which continue to help provide affordable housing for LMI individuals. Current period investments consist of an FNMA bond and 11 grants totaling over \$2.1 million. Total investments represent 68.4 percent of Tier One Capital allocated to the Denver-Aurora-Lakewood CO MSA AA, which represents an excellent level of qualified investments and grants.

The investments were responsive to identified needs in the AA, specifically the community contact noted there is a need for affordable housing for LMI. Approximately, 99.0 percent of MOB's qualified CD investments in the Denver-Aurora-Lakewood CO MSA AA support affordable housing. The remaining one percent helped provide services to LMI individuals and support economic development. None of the investments were innovative.

### **Conclusions for Area Receiving Limited-Scope Reviews**

Based on a limited-scope review, the bank's performance under the investment test in the Boulder MSA AA is not inconsistent with the bank's overall "Outstanding" performance under the investment test in the state of Colorado.

Refer to the Table 14 in the state of Colorado section of appendix D for the facts and data that support these conclusions.

## **SERVICE TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the service test in Colorado is rated "Low Satisfactory". Based on a full-scope review, the bank's performance in the Denver-Aurora-Lakewood CO MSA AA is adequate.

### **Retail Banking Services**

Refer to Table 15 in the state of Colorado section of appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

MOB currently operates one branch in the Denver-Aurora-Lakewood CO MSA AA. The branch provides reasonable accessibility to all portions and geographies and individuals of different income levels in the AA. The branch is located in a moderate-income census tract, which represents 100 percent

of the bank's branches in this AA. This compares very favorably to the portion of the population in moderate-income census tracts.

During the review period, the bank closed six branches in the AA due to strategic business reasons. One branch was located in a moderate-income census tract; one was located in a middle-income census tract; and four were located in upper-income census tracts. The changes did not disproportionately impact the accessibility of the bank's services to LMI individuals, since the bank closed one branch in a moderate-income census tract and opened a new one in another moderate-income census tract.

Branch hours and services do not vary in a way that would inconvenience portions of the AA, particularly LMI individuals or geographies. Services offered and banking hours are comparable among locations in other states regardless of the income level of the geography.

Management complements its traditional service delivery methods with certain alternative delivery processes, including mobile banking, ATMs, and telephone banking. These delivery methods provide increased access to banking services throughout all areas in the AA. With the exception of ATMs, we placed no significant weight on these alternative delivery systems as the bank did not maintain metrics to determine their effectiveness in helping to meet the banking needs of LMI individuals.

MOB did not operate any ATMs in the Denver-Aurora-Lakewood CO MSA. The bank is partnered with *MoneyPass*, a network that offers 22,000 ATMs across the U.S. Use of these ATMs is surcharge-free to all MOB depositors. *MoneyPass* has an iPhone and Android ATM locator application for customer convenience. Among the 124 deposit-taking ATMs in the AA, 11 are located in a low-income census tract and 20 are located in moderate-income census tracts. This delivery method provides increased access to banking services to customers residing or working in these LMI census tracts.

### **Community Development Services**

MOB provided a good level of CD services in the Denver-Aurora-Lakewood CO MSA AA. In total, 11 employees provided 288 hours of qualified community development services to 14 CD organizations. A number of the services were responsive to the need for financial literacy training for LMI individuals, which is a stated need in the AA.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on a limited-scope review, the bank's performance under the service test in the Boulder MSA AA was weaker than the bank's overall "Low Satisfactory" in the state. The bank's only branch was located in a middle-income census tract. The bank closed the branch on October 24, 2014. In addition, the bank provided just over 6 hours to one CD organization.

Refer to Table 15 in the state of Colorado section of appendix D for the facts and data that support these conclusions.

## State of Florida

<b>CRA Rating for Florida:</b>	<b>Satisfactory</b>
<b>The Lending Test is rated:</b>	<b>High Satisfactory</b>
<b>The Investment Test is rated:</b>	<b>Outstanding</b>
<b>The Service Test is rated:</b>	<b>Low Satisfactory</b>

The major factors that support this rating include:

- Lending activity reflects adequate responsiveness to credit needs in the Naples-Immokalee-Marco Island MSA AA;
- Geographic distribution of loans was adequate for home mortgage loans and poor for small business distribution in the Naples-Immokalee-Marco Island MSA AA;
- Good distribution of loans by income level of the borrower;
- An excellent level of responsive community development lending that had a significant positive impact on the lending test;
- An excellent level of qualified investments that reflect good responsiveness to credit and community development needs;
- Adequate level of retail service delivery systems are reasonably accessible to geographies and individuals of different income levels; and
- Good level of community development services performed in the Naples-Immokalee-Marco Island MSA.

## Description of Institution's Operations in Florida

MOB has three AAs within the state of Florida. These AAs include the Naples-Immokalee-Marco Island MSA AA, comprised of Collier County; the Tampa-St. Petersburg-Clearwater MSA AA, comprised of Hillsborough County; and the Cape Coral-Fort Myers MSA AA, comprised of Lee County. For the state of Florida, we completed a full-scope review for the Naples-Immokalee-Marco Island MSA.

The bank provides a full range of loan and deposit products to all AAs. MOB has three branches within the state, representing 10.0 percent of the bank's total branch network. There were two closings and one branch opening in the state during the evaluation period. The branch closures were due to poor performance and/or business reasons. MOB has two ATMs within the state, representing 11.8 percent of the bank's total ATM network. As of June 30, 2016, there were 241 financial service providers with branches in the state. MOB ranked 146<sup>th</sup> in the state in deposits, representing a 0.03 percent deposit market share. MOB's statewide deposits totaled \$186.7 million.

Naples-Immokalee-Marco Island MSA

As of June 30, 2016, there were 39 financial service providers with branches in the AA. MOB ranked 19th in AA deposits with \$158.9 million, representing a 1.03 percent deposit market share. The banking industry is highly competitive in the AA, considering the top five banks hold 56.6 percent of the deposit market share based on the June 30, 2016 FDIC Deposit Market Share data. The five largest competitors in the AA include Fifth Third Bank, KeyBank, N.A., Wells Fargo Bank, N.A., Bank of America, N.A., and First Florida Integrity Bank.

Tampa-St. Petersburg-Clearwater MSA

As of June 30, 2016, there were 51 financial service providers with branches in the AA. MOB ranked 44th in AA deposits with \$27.8 million, representing a 0.09 percent deposit market share. The banking industry is highly competitive in the AA, considering the top five banks hold 67.7 percent of the deposit market share based on the June 30, 2016 FDIC Deposit Market Share data. The five largest competitors in the AA include Bank of America, N.A., SunTrust Bank, Wells Fargo Bank, N.A., Fifth Third Bank, and Regions Bank.

Cape Coral-Fort Myers MSA

MOB had a presence in the AA until August 21, 2015, when the bank exited the market and closed their only branch in the AA. As of June 30, 2015, there were 35 financial service providers with branches in the AA. MOB ranked 35th in AA deposits with \$15.6 million, representing a 0.1 percent deposit market share. The banking industry is highly competitive in the AA, considering the top five banks hold 59.6 percent of the deposit market share based on the June 30, 2015 FDIC Deposit Market Share data. The five largest competitors in the AA included Wells Fargo Bank, N.A., Bank of America, N.A., SunTrust Bank, Fifth Third Bank, and Branch Banking and Trust Company.

Refer to the market profiles for the state of Florida in appendix C for detailed demographics and other performance context information for AAs that received full-scope reviews.

**Scope of Evaluation in Florida**

The Naples-Immokalee-Marco Island FL MSA AA, which contains 85.1 percent of deposits and 55.2 percent of loan activity during the evaluation period, received a full-scope review. The Cape Coral-Fort Myers FL MSA AA and Tampa-St. Petersburg-Clearwater FL MSA AA received limited-scope reviews based on lesser volumes. Ratings for the state of Florida are based primarily on performance in the Naples-Immokalee-Marco Island FL MSA AA.

Loan products evaluated include home purchase and home refinance loans reported under the HMDA, and small loans to businesses reported under the CRA. We also evaluated community development loans, investments, and services.

For this examination, we reviewed one community contact in the Naples-Immokalee-Marco Island MSA AA. The community contact is a non-profit organization. The most critical needs identified are affordable housing to LMI families, job creation, financial literacy, and childcare services.

Refer to the tables in appendix A for more information on the Florida AAs.

## **LENDING TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the lending test in Florida is rated "High Satisfactory". Based on a full-scope review, the bank's performance in the Naples-Immokalee-Marco Island MSA AA is good.

### **Lending Activity**

The bank's lending activity in the Naples-Immokalee-Marco Island FL MSA AA is adequate, considering the strong competition for all types of loans in the bank's AAs. We also considered lending in the AA was challenged as the economy continues to recover from the economic recession from 2009 through 2015.

Refer to Tables 1 Lending Volume in the state of Florida section of appendix D for the facts and data used to evaluate the bank's lending activity.

Based upon 2015 FDIC deposit market share data as of June 30, 2015, MOB achieved a deposit market share of 0.82 percent. Based upon 2015 peer mortgage data, MOB's home purchase market share was 0.36 percent and ranked 57<sup>th</sup> of 533 lenders. While home purchase market share was lower than the respective deposit market share for 2015, MOB's ranking was in the top 10.7 percent of lenders. The top five lenders were Wells Fargo Bank, NA; JP Morgan Chase Bank NA; The American Eagle Mortgage; Flagstar Bank; and Florida Community Bank, NA. Based upon 2015 peer mortgage data, the home refinance lender market share was 0.05 percent and ranked 185<sup>th</sup> out of 376 lenders. The top five home refinance lenders were Wells Fargo Bank, NA; Quicken Loans; Suncoast Credit Union; Bank of America NA; and Fifth Third Mortgage Company.

Small business lending activity is adequate, given performance context and business strategy. According to 2015 peer market data, MOB's market share of small business loans (businesses with revenues less than \$1 million) was 0.08 percent with a rank of 41<sup>st</sup> among 115 loan reporters. When the dollar amount of small business loans is considered, the bank had a market share of 0.9 percent and was ranked 24<sup>th</sup>. A comparison on dollar volume of lending takes into account the large volume of credit card lending in the reporting. Credit card lenders originate a large number of loans, but the overall dollar volume is significantly smaller. The top five small business loan reporters were American Express Bank, FSB; Bank of America, NA; Capital One Bank (USA), NA; Wells Fargo Bank, NA; and Citibank, NA.

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

The geographic distribution of the bank's lending in the Naples-Immokalee-Marco Island MSA AA is adequate. Home mortgage loan lending performance was adequate and small business lending performance was poor. Home mortgage lending received more weight than small business lending.

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

The geographic distribution of home purchase loans is good. The bank's lending in the low-income geographies exceeded 2015 HMDA aggregate lending levels reflecting excellent performance, while moderate-income CTs was somewhat lower than 2015 HMDA aggregate lending levels reflecting adequate performance. The percentage of loans made in the low-income geographies significantly exceeded the percentage of owner-occupied units in those geographies and reflects excellent performance. The percentage of loans made in the moderate-income CTs was somewhat lower than the percentage of owner-occupied units in those tracts.

The geographic distribution of home mortgage refinance loans is poor. The bank's lending in both the LMI geographies was lower than the 2015 HMDA aggregate lending levels. This represented poor performance. The percentage of loans made in the LMI CTs were also lower than the percentage of owner-occupied units in those geographies.

Refer to Tables 2, 4, and 5 in the state of Florida section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations/purchases.

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

Refer to Table 6 in the state of Florida section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The geographic distribution of small loans to businesses is poor. The bank made no loans in low-income geographies. However, there were only 1,002 small businesses in low-income geographies compared to total businesses in the AA of 38,856, making lending a challenge when competing for loans with 115 lenders in the AA. Loans in moderate-income CTs was near to the 2015 aggregate lending percentage, while it was below the number of loans to small businesses in the CTs.

### ***Lending Gap Analysis***

We reviewed summary reports and maps and analyzed MOB's home mortgage and small business activity over the evaluation period to identify any gaps in the geographic distribution of loans. We did not identify any unexplained conspicuous gaps.

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

The distribution of lending by income level of the borrower is good. The overall distribution of home mortgage loans by income level of the borrower in the Naples-Immokalee-Marco Island MSA AA is good. The distribution of small loans to businesses is poor. We placed greater emphasis on the bank's home mortgage lending as home mortgage loans represented the majority of the bank's CRA reportable lending activity.

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

The borrower distribution of home mortgage loans is good. Distribution of loans to LMI borrowers in the Naples-Immokalee-Marco Island MSA AA is good.

We also considered affordability and poverty rates of low and moderate-income families in the AA when arriving at our conclusions. Based on 2010 U.S. Census data, 7.9 percent of the families in the AA were below poverty level. Home ownership can be difficult due to high median housing prices compared to median family incomes. According to the 2010 U.S. Census, the median housing value was \$427,396. . The high cost of purchasing a home in this AA may negatively affect the ability of low- and moderate-income individuals to qualify for mortgage loans and limit bank lending opportunities. The cost of housing relative to the median family income would prevent home ownership for many low- and moderate-income families, given their maximum annual income of \$33,250 and \$53,200, respectively.

Refer to Tables 8 and 10 in the state of Florida section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The distribution of home purchase loans among individuals of different income levels in the Naples-Immokalee-Marco Island MSA AA is good. The bank's lending to low-income borrowers significantly exceeded the 2015 HMDA aggregate lending levels and reflects excellent performance. The percentage of loans to moderate-income borrowers was somewhat lower than 2015 HMDA aggregate lending levels and was adequate. The percentage of loans made to low-income borrowers significantly exceeded the percentage of low-income families. The percentage of loans to moderate-income borrowers was lower than the percentage of moderate-income families in the AA.

The overall distribution of home refinance loans among individuals of different income levels in the Naples-Immokalee-Marco Island MSA is poor. The bank's lending to both LMI borrowers was lower than the 2015 HMDA aggregate lending levels. This represented poor performance. The percentage of loans to LMI borrowers was also lower than the percentage of LMI families in the AA.

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

Refer to Table 11 in the state of Florida section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

The borrower distribution of small loans to businesses is poor. MOB's lending to small businesses (businesses with gross annual revenue of \$1 million or less) was lower than the 2015 aggregate lending levels and is considered poor performance. The percentage of loans to small businesses was lower than the percentage of small businesses in the AA, reflecting poor performance. However, of the small loans to businesses in the Naples-Immokalee-Marco Island MSA AA, 53.5 percent were in amounts of \$250,000 or less.

### **Community Development Lending**

Refer to Table 1 Lending Volume in the state of Florida section of appendix D for the facts and data used to evaluate the bank's level of community development lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multifamily loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans..

Overall, the bank's community development lending activity in the Naples-Immokalee-Marco Island MSA AA is excellent and had a positive impact on the overall lending performance.

During the evaluation period, the bank made four community development loans in the Naples-Immokalee-Marco Island MSA AA totaling \$3.7 million, or 21.7 percent of Tier One Capital allocated to the AA. Loans originated include two loans totaling \$1 million to two community organizations to provide a revolving line of credit to renovate buildings and provide working capital. Two additional loans were made to promote economic development by renovating a building into a new business entity and creating eleven jobs.

### **Community Development Loans – FL Statewide**

MOB originated a \$1.1 million loan in the broader state wide area that did not have P/M/F to potentially benefit any of the bank’s AAs in the state. This loan was to an entity to renovate a 60-unit property situated in a moderate-income geography that provided senior living to LMI individuals. Approximately 83.0 percent of units are dedicated for LMI individuals.

### **Product Innovation and Flexibility**

MOB offers several flexible loan programs such as Community First Home Loan Product, Federal Housing Administration (FHA), and Veteran’s Administration (VA) loan products. The Community First Home Loan Product offers alternative financing to first-time homebuyers and individual with limited credit history. The program also offers up to 100 percent financing and does not require the borrower to purchase private mortgage insurance. The FHA program provides home financing for people with smaller down payments and lower credit scores. The VA program offers low government rates for VA eligible personnel. These lending programs generated 34 loans totaling \$5.9 million in the Naples-Immokalee-Marco Island MSA AA.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank’s performance in the Tampa-St. Petersburg-Clearwater MSA AA is consistent with the bank’s overall “High Satisfactory” performance under the lending test in Florida. In the Cape Coral-Fort Myers MSA AA, the bank’s performance is weaker than the bank’s overall performance in the state due to weaker lending performance. Performance in the limited-scope Cape Coral-Fort Myers MSA AA was not significant enough to affect the overall lending test rating in the state.

Refer to the Tables 1 through 13 in the state of Florida section of appendix D for the facts and data that support these conclusions.

## **INVESTMENT TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank’s performance under the investment test in the state of Florida is rated “Outstanding”. Based on the full-scope review, the bank’s performance in the Naples-Immokalee-Marco Island MSA AA is excellent. The bank’s investments are responsive to community development needs in the AA.

Refer to Table 14 in the state of Florida section of appendix D for the facts and data used to evaluate the bank's level of qualified investments.

During the evaluation period, MOB made 13 investments in the AA totaling \$2.2 million. One of these investments was a \$2.1 million equity investment in a CRA-qualified fund that benefits the AA. The investment supports an existing Low-Income Housing Tax Credit (LIHTC) project to provide affordable housing to LMI individuals and families in Naples, Florida. There is a land use restriction agreement (LURA) in-place where 100 percent of the tenants must meet income-eligibility requirements and is subject to restricted rental rates. The property is located in a moderate-income census tract. In addition, donations totaling \$102,500 were made to organizations in the AA whose primary purpose meets the definition of community development.

Overall, the bank's community development investments are responsive to AA needs, primarily providing affordable housing for LMI individuals. There are no complex investments in the AA.

### **Investments – FL Statewide**

In addition to the CD investments that benefit the bank's full- and limited-scope AAs, MOB made one qualifying investment totaling \$25,000 in the statewide area that had no P/M/F to potentially benefit one or more of the bank's AAs in the state. The investment was to a community service organization that provided financial literacy programs targeted to LMI individuals and families in the state of Florida.

### **Conclusions for Area Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the investment test in the Cape Coral-Fort Myers MSA AA and Tampa-St Petersburg-Clearwater MSA AA is consistent with the bank's overall "Outstanding" performance under the investment test in the state of Florida.

Refer to the Table 14 in the state of Florida section of appendix D for the facts and data that support these conclusions.

## **SERVICE TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

MOB's performance under the service test in Florida is rated "Low Satisfactory". Based on a full-scope review, the bank's performance in the Naples-Immokalee-Marco Island MSA AA is adequate. Community development services provided a positive impact on the overall rating for this category.

### **Retail Banking Services**

Refer to Table 15 in the state of Florida section of appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

Branches in the Naples-Immokalee-Marco Island MSA are accessible to limited portions of the bank's AAs. The bank has two branches in the AA, both located in upper-income census tracts. However, one

of the AA branches is located near-to a low-income geography. Near-to branches are those branches located within one-half mile of a LMI geography.

No branches were opened or closed in Naples-Immokalee-Marco Island MSA AA during the review period. Services do not vary in a way that inconveniences certain parts of the AA, particularly LMI individuals or geographies.

Branch hours and services do not vary in a way that would inconvenience portions of the AA, particularly LMI individuals or geographies. Services offered and banking hours are comparable among locations in other states regardless of the income level of the geography.

Management complements its traditional service delivery methods with certain alternative delivery processes, including mobile banking, ATMs, and telephone banking. These delivery methods provide increased access to banking services throughout all areas in the AA. We placed no significant weight on these alternative delivery systems as the bank did not maintain metrics to determine their effectiveness in helping to meet the banking needs of LMI individuals.

MOB operates one ATM in the Naples-Immokalee-Marco Island MSA AA. The bank is partnered with *MoneyPass*, a network that offers 22,000 ATMs across the U.S. Use of these ATMs is surcharge-free to all MOB depositors. *MoneyPass* has an iPhone and Android ATM locator application for customer convenience. However, among the two deposit-taking ATMs in the AA, none were located in low- or moderate-income census tracts.

### **Community Development Services**

MOB's performance in providing CD services is good. The bank provides community development services that are responsive to AA needs, particularly those related to affordable, housing, community services to include financial literacy, and economic development.

During the evaluation period, over 167 community development service activities were performed by bank staff. Twelve community organizations were served through these activities. These activities included technical assistance by instructing small business owners on how to qualify for micro-loans. Other activities included serving on the boards of community organizations in the AA.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the service test in the Tampa-St. Petersburg-Clearwater MSA AA, the bank's performance is stronger than the bank's overall performance in the state based on branch distribution. In the Cape Coral-Fort Myers MSA AA, the bank's performance is weaker than the bank's overall performance in the state based on branch distribution.

Refer to Table 15 in the state of Florida section of appendix D for the facts and data that support these conclusions.

**State of Hawaii**

<b>CRA Rating for Hawaii:</b>	<b>Satisfactory</b>
<b>The Lending Test is rated:</b>	<b>Low Satisfactory</b>
<b>The Investment Test is rated:</b>	<b>Outstanding</b>
<b>The Service Test is rated:</b>	<b>Needs to Improve</b>

The major factors that support this rating include:

- An adequate level of lending for home purchase and refinance loans;
- Excellent geographic distribution of home mortgage loans;
- Good distribution of home mortgage loans by income level;
- An excellent level of qualified investments that reflect responsiveness to credit and community development needs; and
- No CD lending level had a negative impact on the overall lending test in the state;
- A branch delivery system that was accessible to limited portions of the bank’s AA;
- MOB provides few, if any, community development services.

**Description of Institution’s Operations in Hawaii**

MOB delineates their AA as the Urban Honolulu HI MSA, which is comprised of Honolulu County. MOB operates one branch location in Honolulu.

MOB has one branch within the state that opened on June 18, 2012, representing 3.3 percent of the bank’s total branch network. MOB has no ATMs in the state. The Honolulu location offers basic consumer and small business deposit accounts and services. MOB’s current business strategy is to not offer small business lending in the Urban Honolulu HI MSA AA. The primary purpose of the Honolulu branch is to generate mortgage loans and Community Association Banc (CAB) deposits. The CAB business line specializes in providing products and services to HOAs nationwide. It is also important to note that MOB ceased direct mortgage lending in September 2014, and entered into a correspondent relationship with third parties to continue to offer this type of lending. This business strategy subsequently resulted in lower mortgage lending volumes.

As of June 30, 2016, there were 13 financial service providers with branches in the state. MOB ranked 13<sup>th</sup> in the state in deposit market share, with no measurable deposit market share. The banking industry is highly competitive in the AA as the top five banks account for 95.08 percent of the market share. The five largest competitors in the AA include First Hawaiian Bank, Bank of Hawaii, American Savings Bank, F.S.B., Central Pacific Bank, and Territorial Savings Bank.

Refer to the market profiles for the state of Hawaii in appendix C for detailed demographics and other performance context information for AAs that received full-scope reviews.

## **Scope of Evaluation in Hawaii**

The Urban Honolulu HI MSA AA branch is the only MOB location in the state of Hawaii, and received a full-scope review. Performance in this state carries very little weight in the overall conclusions given the very limited deposit base, and limited lending volumes over the evaluation period.

In conjunction with this evaluation, we reviewed a community contact conducted in Honolulu in order to ascertain community needs and opportunities, as well as the responsiveness of local financial institutions in meeting community needs. Affordable housing was discussed as a critical need. The contact indicated that banks could better serve the AA by focusing more on affordable housing projects, particularly multifamily housing.

## **LENDING TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the lending test in Hawaii is rated "Low Satisfactory". Based on a full-scope review, the bank's performance in the Urban Honolulu HI MSA AA is good. In performing our analysis, we placed emphasis on home mortgage lending performance, as the bank did not originate any small business loans during the evaluation period.

### **Lending Activity**

MOB's lending activity in the state of Hawaii is adequate relative to the strong competition for all types of loans in AA, as well as the bank's business strategy. The bank's adequate performance in originating home mortgage loans supports this conclusion.

Refer to Table 1 Lending Volume in the state of Hawaii section of appendix D for the facts and data used to evaluate the bank's lending activity.

Based upon FDIC Deposit Market Share data as of June 30, 2015, MOB ranked 13<sup>th</sup> among 13 financial institutions and did not have a measurable deposit market share. According to 2015 peer mortgage data, MOB had a 0.09 percent market share for home purchase lending, ranking 71<sup>st</sup> out of 136 reporting lenders in home purchase lending. The top five home purchase lenders were the Bank of Hawaii; Wells Fargo Bank, NA, Central Pacific Bank, Honolulu Homeloans, Inc., and Territorial Savings Bank.

MOB's home refinance market share was 0.01 percent ranking 156<sup>th</sup> out of 184 refinancing lenders in the AA. The top five home refinance lenders were Wells Fargo Bank, NA; Bank of Hawaii; LoanDepot.Com, LLC; Freedom Mortgage Corporation and Quicken Loans. Overall home mortgage lending activity is adequate, given the level of competition from the other reporting lenders in the AA, and MOB's lender rankings for each product in relation to its deposit performance.

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

The geographic distribution of the bank's lending is excellent based on mortgage lending during the evaluation period.

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

Overall, the geographic distribution of home mortgage loans is excellent, considering performance context for the AA.

Refer to Tables 2, 4, and 5 in the state of Hawaii section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations/purchases.

In evaluating the geographic distribution of home mortgage loans in the AA, it is important to note that, according to 2010 U.S. Census data, of the 244 census tracts in the Urban Honolulu HI MSA AA, 12 are low-income (4.92 percent of total census tracts) and 57 are moderate-income (23.36 percent of total census tracts). Only 1.13 percent of the total owner-occupied housing units in the AA are in low-income tracts. Of the total housing units in low-income geographies, rental and vacant units account for a total of 82.35 percent in this geography. Owner-occupied housing in moderate-income census tracts represents 13.21 percent of the AA's total housing units. The rental and vacant units in the moderate-income geographies account for 72.98 percent of the total housing units in the geography. Based on these statistics, the bank had limited opportunities for residential lending in LMI geographies.

The geographic distribution of home purchase is excellent. The percentage of loans in low-income geographies was somewhat lower than 2015 HMDA aggregate lending levels and reflects good performance, given performance context considerations. For moderate-income geographies, the percentage of loans significantly exceeded 2015 HMDA aggregate lending levels reflecting excellent performance. The percentage of home purchase loans exceeded the percentage of owner-occupied housing units in both LMI geographies and reflects excellent performance.

The geographic distribution of home refinance loans is excellent. The percentage of home refinance loans made in low-income geographies exceeded both the 2015 HMDA aggregate lending levels and the percentage of owner-occupied housing units in low-income geographies, reflecting excellent performance. In moderate-income geographies, the percentage of home refinance loans is near to the 2015 HMDA aggregate lending levels, reflecting excellent performance. However, the percentage of loans is lower than the level of owner-occupied units in moderate-income census tracts.

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

Refer to Table 6 in the state of Hawaii section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

We did not perform an analysis for small loans to business as MOB did not originate these loan types during the evaluation period.

### ***Lending Gap Analysis***

We reviewed summary reports and maps to analyze MOB's home mortgage lending activity over the evaluation period to identify any gaps in the geographic distribution of loans. No unexplained conspicuous gaps were identified when considering performance context.

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

The distribution of lending by income level of the borrower is good.

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

Performance for home purchase loans was excellent and for home refinance loans was adequate.

Refer to Tables 8 and 10 in the state of Hawaii section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

We placed more emphasis on moderate-income performance given performance context factors affecting home affordability in the AA, which particularly affects low-income families. Better performance in home purchase lending helped mitigate performance in home refinance lending. Based on 2010 U.S. Census data, 6.15 percent of families in the AA were below poverty level and the median housing value was \$517,772. . The high cost of purchasing a home in this AA may negatively affect the ability of low- and moderate-income individuals to qualify for mortgage loans and limit bank lending opportunities. The cost of housing relative to the median family income would prevent home ownership for many low- and moderate-income families, given their maximum annual income of \$43,450 and \$69,520, respectively.

The distribution of home purchase loans to borrowers of different income is excellent, considering home affordability challenges in the AA. The bank's lending to low-income borrowers exceeds the 2015 HMDA aggregate lending levels to low-income borrowers and reflects excellent performance. However, the percentage of lending to low-income individuals is lower than the percentage of low-income families in the AA. Overall, the lending to low-income borrowers reflects good performance. The percentage of home purchase loans to moderate-income individuals exceeds the 2015 HMDA aggregate lending levels to moderate-income borrowers and the percentage of moderate-income families in the AA, reflecting excellent performance.

The distribution of home mortgage refinance loans to borrowers of different income is adequate, when considering home affordability challenges in the AA. The bank's lending to LMI borrowers was somewhat lower than 2015 HMDA aggregate lending levels and reflects adequate performance. Lending to low- and moderate- income individuals was lower than the respective levels of LMI families in the AA.

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

Refer to Table 11 in the state of Hawaii section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

We did not perform an analysis for small loans to business as MOB did not originate these loan types during the evaluation period.

### **Community Development Lending**

Refer to Table 1 Lending Volume in the state of Hawaii section of appendix D for the facts and data used to evaluate the bank's level of community development lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multifamily loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

During the evaluation period, MOB did not originate or purchase any community development loans, which had a negative impact on the lending test.

### **Product Innovation and Flexibility**

MOB offers several flexible loan programs such as Community First Home Loan Product, Federal Housing Administration (FHA), and Veteran's Administration (VA) loan products. The Community First Home Loan Product offers alternative financing to first-time homebuyers and individual with limited credit history. The program also offers up to 100 percent financing and does not require the borrower to purchase private mortgage insurance. The VA program offers low government rates for VA eligible personnel. These lending programs generated 46 loans totaling \$15.2 million in the Urban Honolulu HI MSA AA.

## **INVESTMENT TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the investment test in Hawaii is rated "Outstanding". Based on the full-scope review, the bank's performance in the Urban Honolulu HI MSA AA is excellent.

Refer to Table 14 in the state of Hawaii section of appendix D for the facts and data used to evaluate the bank's level of qualified investments.

During the evaluation period, MOB made one investment commitment totaling \$5.0 million, of which \$2.8 million was funded. The qualifying CD investment is a Low-Income Housing Tax Credit (LIHTC) that financed the new construction of 160 affordable rental units for LMI seniors in a moderate-income geography in Honolulu. The project is a public-private partnership between the Hawaii Housing Finance and Development Corporation (HHFDC), the City and County of Honolulu, and Pacific Housing Assistance Corporation. The project also includes social services to address the unique needs of LMI seniors. This is an excellent level of investment activity, particularly when considering MOB's nominal deposits and Tier One Capital allocation in the Urban Honolulu HI MSA AA.

The bank's responsiveness to CD needs in the AA is excellent given that affordable housing is an identified critical need in the AA.

## SERVICE TEST

### Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the service test in Hawaii is rated "Needs to Improve". Based on the full-scope review, the bank's performance in the Urban Honolulu MSA HI AA is poor based on limited accessibility to geographies and individuals of different income levels.

### Retail Banking Services

Refer to Table 15 in the state of Hawaii section of appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

MOB's branch distribution in the AA is poor. MOB has one branch situated in a middle-income tract in Honolulu, which is near-to moderate-income tracts. However, accessibility is limited as the location is on an upper floor of an office building. Near-to branches are those branches located within one-half mile of a low- or moderate-income geography.

Branch openings and closings did not affect accessibility of the bank's delivery systems to LMI geographies and individuals. During the evaluation period, the bank did not open or close any branches in the AA.

Branch hours and services are adequate, but branch hours are somewhat limited compared to other MOB branches outside of Hawaii. The Honolulu branch does not have a drive-through facility, nor does it maintain weekend hours. Weekday hours are limited to six hours during the day. We considered that while this branch location offers the same retail services as other MOB locations, the primary focus is on the MOB's CAB line of business. The very low volume of deposits and somewhat limited loan volume in the AA indicates a low level of retail banking use at this location.

Management complements its traditional service delivery methods with certain alternative delivery processes, including online banking, mobile banking, and telephone banking. These delivery methods provide increased access to banking services throughout all areas in the AA. We placed no significant weight on these alternative delivery systems as the bank did not maintain metrics to determine their effectiveness in helping to meet the credit needs of LMI individuals.

MOB does not have any full-service ATMs in the AA. The bank is partnered with *MoneyPass*, a network that offers 22,000 ATMs across the U.S. Use of these ATMs is surcharge-free to all MOB customers. Among the nine *MoneyPass* ATMs in the AA, three are in moderate-income census tracts, but none of ATMs accept deposits.

### Community Development Services

MOB's performance in providing CD services is very poor. MOB did not provide any CD services during the evaluation period.

## State of Nebraska

<b>CRA Rating for Nebraska:</b>	<b>Satisfactory</b>
<b>The lending test is rated:</b>	<b>High Satisfactory</b>
<b>The investment test is rated:</b>	<b>High Satisfactory</b>
<b>The service test is rated:</b>	<b>High Satisfactory</b>

The major factors that support this rating include:

- A good level of lending for home mortgage loans and small loans to businesses;
- A good geographic distribution of loans as evidenced by good distribution of home mortgage loans and excellent distribution of small loans to businesses;
- An adequate distribution of loans based on borrower income. Performances in home mortgage loans and small loans to businesses were adequate;
- A significantly positive level of CD loans that were responsive to community needs;
- A good level of qualified investments that reflects good responsiveness to credit and community development needs;
- A branch distribution that is reasonably accessible to low- and moderate- income geographies and individuals; and
- An excellent level of community development service performance.

## Description of Institution's Operations in Nebraska

MOB conducts the majority of its operations in state of Nebraska, including their headquarters. The bank has two AAs within the state of Nebraska. These AAs include the Omaha-Council Bluffs, NE-IA MMSA AA, comprised of Douglas and Sarpy County situated in Nebraska and the Lincoln MSA AA, comprised of Lancaster County. For the state of Nebraska, we completed a full-scope review for the Omaha-Council Bluffs, NE-IA MMSA AA.

The bank provides a full range of loan and deposit products to the AAs. MOB has six branches within the state, representing 20.0 percent of the bank's total branch network. There was one branch closing and one branch opening in the state during the evaluation period. The branch closure was due to business reasons. MOB has four ATMs within the state representing 23.5 percent of the bank's total ATM network. As of June 30, 2016, there were 202 financial services providers with branches in the state. MOB ranked 11<sup>th</sup> in the state in retail deposits, representing a 1.55 percent deposit market share. MOB's statewide retail deposits totaled \$922.2 million. While 78.3 percent of the bank's deposits are held in the Omaha-Council Bluffs, NE-IA MMSA AA, approximately \$3.8 billion (81.2 percent) are associated with the bank's Community Association Banking (CAB) management services. CAB deposits are not derived through the bank's retail deposit channels, as such we adjusted deposits held in

Omaha branches to reflect only retail deposits for deposit market share analysis. Nebraska represents the largest market for the bank with 40.1 percent of the bank's retail deposits.

#### Omaha-Council Bluffs MMSA AA

As of June 30 2016, there were 37 financial services providers with branches in the AA. MOB ranked eighth in AA retail deposits of \$868.8 million, representing a 3.69 percent deposit market share. The banking industry is highly competitive in the AA, considering the top five banks hold 72.6 percent of the deposit market share based on the June 30, 2016 FDIC Deposit Market Share data. The five largest competitors in the AA include First National Bank of Omaha, Wells Fargo Bank, N.A., U.S. Bank, N.A., American National Bank, and Great Western Bank.

#### Lincoln MSA AA

As of June 30, 2016, there were 24 financial services providers with branches in the AA. MOB ranked 17<sup>th</sup> in AA deposits of \$53.4 million, representing a 0.74 percent deposit market share. The banking industry is highly competitive in the AA, considering the top five banks hold 70.7 percent of the deposit market share based on the June 30, 2016 FDIC Deposit Market Share data. The five largest competitors in the AA include Union Bank and Trust Company, Wells Fargo Bank, N.A., U.S. Bank, N.A., Pinnacle Bank, and Cornhusker Bank.

Refer to the market profiles for the state of Nebraska in appendix C for detailed demographics and other performance context information for AAs that received full-scope reviews.

### **Scope of Evaluation in Nebraska**

We conducted a full-scope review of the Omaha-Council Bluffs IA-NE MMSA AA due to the high level of deposits, branch offices and reportable lending in the state. Branch distribution within the state shows the Omaha-Council Bluffs IA-NE MMSA AA with 83.3 percent (five branches). The AA also had the significant volume of HMDA and CRA reportable loans in the state at 58.2 percent. Based on its lesser volumes of deposits, branch offices and reportable lending, we conducted a limited-scope review of the Lincoln NE MSA AA.

We reviewed a community contact conducted in the Omaha-Council Bluffs IA-NE MMSA AA. The organization is an independent quasi-government entity that encourages the investment of private capital in the state of Nebraska through various programs it administers. The contact indicated an ongoing need for affordable housing in the Omaha-Council Bluffs IA-NE MMSA.

Refer to the tables in appendix A for more information on the Nebraska AAs.

### **LENDING TEST**

#### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the lending test in the state of Nebraska is rated "High Satisfactory". Based on a full-scope review, the bank's performance in the Omaha-Council Bluffs IA-NE MMSA AA is excellent. Our analysis placed more emphasis on the bank's home mortgage lending, as this loan category represented the largest portion of the bank's reportable lending activities. The level of

community development lending had a significantly positive impact on lending performance when considering the impact of responsiveness and initiatives.

### **Lending Activity**

MOB's lending activity in the Omaha-Council Bluffs IA-NE MMSA AA is good, considering the competition for all types of loans in the bank's AA and the bank's business strategy. The bank's good performance in originating home mortgage loans and small loans to businesses, compared to its local competitors supports this conclusion.

Refer to Table 1 Lending Volume in the state of Nebraska section of appendix D for the facts and data used to evaluate the bank's lending activity.

Given the level of competition from other reporting lenders in the AA and MOB's higher lender rankings than deposit rankings, overall home mortgage lending is good.

Based upon FDIC Deposit Market Share data as of June 30, 2015, MOB achieved a 3.1 percent market share of retail deposits, ranking eighth among 37 financial institutions in the AA and placing the bank in the top 21.6 percent of total depository banks. According to 2015 peer mortgage data, MOB achieved a 0.13 percent market share for home purchase lending. The bank was ranked 73<sup>rd</sup> out of 280 lenders for home purchase lending, which is equivalent to being in the top 26.1 percent of the lenders reporting loans in the AA. The top five home purchase lenders were the First National Bank of Omaha; Wells Fargo Bank, NA; US Bank, NA; Franklin American Mortgage Company; and Pulaski Bank, NA. These five financial institutions accounted for 42.0 percent of the home purchase lending in the AA.

MOB achieved a 0.54 percent market share in home improvement lending, and was ranked 20<sup>th</sup> out of 103 lenders. This is equivalent to being in the top 19.4 percent of the lenders reporting loans in the AA. The top five home improvement lenders were Centris Federal Credit Union; First National Bank of Omaha; SAC Federal Credit Union; Wells Fargo Bank, NA; and American National Bank.

MOB's home refinance market share was 0.20 percent, and was ranked 74<sup>th</sup> out of 247 refinancing lenders in the AA. MOB's refinance ranking places them in the top 30.0 percent of the refinance lenders reporting loans in the AA. The top five home refinance lenders were Wells Fargo Bank, NA; First National Bank of Omaha; Quicken Loans, US Bank, NA; and Franklin American Mortgage Company.

Based upon 2015 peer small business data, MOB achieved a 0.66 percent market share of small business loans, and was ranked 21<sup>st</sup> among 74 reporting small business lenders. This is equivalent to being in the top 28.4 percent of lenders. The top five small business lenders were American Express, FSB; US Bank, NA; Wells Fargo Bank, NA; Capital One Bank (USA), NA; and First National Bank of Omaha. These five financial institutions accounted for 58.6 percent of the small business lending in the AA. Given the competition from the other reporting lenders in the AA and the bank's higher lender ranking, the small business lending activity is good.

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

The geographic distribution of the bank's lending is good. Excellent performance was evidenced in small loans to businesses. This lending performance was offset by good performance in home mortgage loans.

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

Refer to Tables 2, 3, 4, and 5 in the state of Nebraska section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations/purchases.

Overall, the geographic distribution of home mortgage loans is good. In evaluating the geographic distribution of home loans in the AA, it is important to note that, according to the 2010 U.S. Census data, of the 199 census tracts in the Omaha-Council Bluffs IA-NE MMSA AA, 28 are low-income (14.1 percent of total census tracts) and 40 (20.1 percent of total census tracts) are moderate-income. Only 6.8 percent of the owner-occupied housing units (11,433) are in the low-income tracts. Of the total housing units in the low-income geographies, rental and vacant units account for a total of 63.37 percent, or 19,778 units. Owner-occupied housing units in the moderate-income census tracts represents 15.98 percent of the AA's total, or 26,036 units. The rental and vacant units in the moderate-income geographies account for 54.60 percent (26,946) of the total housing units. Based on these statistics and the high level of competition from very large institutions with significant mortgage lending operations in the AA, the bank had somewhat limited opportunities for residential lending in the LMI geographies. In addition, MOB does not conduct outreach to potential borrowers for mortgage loans.

The geographic distribution of home purchase loans is excellent. The bank's lending in both the LMI census tracts exceeded 2015 HMDA aggregate lending levels. This represented excellent performance. The percentage of loans made in the low-income census tracts exceeded the percentage of owner-occupied units in those geographies. The percentage of loans made in the moderate-income census tracts was somewhat lower than the percentage of owner-occupied units in those tracts. This did not impact the overall home purchase conclusion.

The overall geographic distribution of home improvement loans is good. MOB's lending in the low-income census tracts was somewhat lower than 2015 HMDA aggregate lending levels. The bank's lending in the moderate-income census tracts exceeded 2015 HMDA aggregate lending levels and reflects excellent performance. The percentage of loans made in the low-income census tracts was lower than the percentage of owner-occupied units in those geographies. The percentage of loans made in the moderate-income census tracts exceeded the percentage of owner-occupied units in those tracts. This did not impact the overall home improvement conclusion.

The overall geographic distribution of home refinance loans is poor. MOB's lending in both the LMI census tracts was lower than the 2015 HMDA aggregate lending levels and represented poor performance. The percentage of loans made in the both the low-income and moderate-income census tracts was significantly lower than the percentage of owner-occupied units in those geographies. This did not impact the overall home refinance conclusion.

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

Refer to Table 6 in the state of Nebraska section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The geographic distribution of small loans to businesses is excellent. The bank's lending in both the LMI census tracts exceeded 2015 aggregate lending levels. This represented excellent performance.

The percentage of loans made in the both the low-income and moderate-income census tracts exceeded the percentage of businesses in those geographies and is also considered excellent.

### ***Lending Gap Analysis***

We reviewed summary reports and maps and analyzed MOB's home mortgage and small business lending activity over the evaluation period to identify any gaps in the geographic distribution of loans. We did not identify any unexplained conspicuous gaps.

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

The borrower income distribution of the bank's lending is adequate. Performances in home mortgage loans and small loans to businesses were adequate. We placed more emphasis on home mortgage loans than small business loan performance. Lastly, we placed greater emphasis on home purchase and home refinance performance than we placed on home improvement loans.

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

The overall borrower distribution of home mortgage loans is adequate.

Refer to Tables 8, 9 and 10 in the state of Nebraska section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

In performing our analysis, we considered the level of families below the poverty level, as well as the general affordability of housing to LMI borrowers. Based on 2010 U.S. Census data, 8.10 percent of families in the AA were below poverty level. Home ownership can be difficult due to the median housing prices compared to median family incomes. According to the 2010 U.S. Census, the median housing value was \$150,078. The relatively high cost of purchasing a home in this AA may negatively affect the ability of low- and moderate-income individuals to qualify for mortgage loans and limit bank lending opportunities. The cost of housing relative to the median family income would prevent home ownership for many low- and moderate-income families, given their maximum annual income of \$36,400 and \$58,240, respectively. According to the 2010 U.S. Census, the median age of housing stock is higher in low- or moderate-income geographies than middle- and upper-income geographies, contributing to the lower median housing values in LMI geographies. Older housing may have lower purchase prices, but often has higher maintenance costs. Per the 2010 U.S. Census, the median age of housing for LMI geographies was 63 and 54 years, respectively. In comparison, the median age of middle- and upper-income geographies was much lower at 36 and 21 years, respectively. Due to the older age of housing stock in low- or moderate-income geographies, we would expect a higher average maintenance cost, and the higher costs impact home ownership affordability in this AA within the low- or moderate-income geographies.

The borrower distribution of home purchase loans is good. The bank's lending to low-income borrowers was excellent and exceeded 2015 HMDA aggregate lending levels. MOB's lending to moderate-income borrowers was good and was near to the 2015 HMDA aggregate lending levels. The percentage of loans to low-income borrowers was near to the percentage of low-income families and is considered good. The percentage of loans to moderate-income borrowers exceeded the percentage of

moderate-income families and is considered excellent. This performance did not impact the overall home purchase conclusion.

The borrower distribution of home improvement loans is adequate. The bank's lending to low-income borrowers was very poor and was significantly lower than 2015 HMDA aggregate lending levels. MOB's lending to moderate-income borrowers was adequate and was lower than the 2015 HMDA aggregate lending levels. The percentage of loans to low-income borrowers was lower than the percentage of low-income families and is considered poor. The percentage of loans to moderate-income borrowers was somewhat lower than the percentage of moderate-income families and is considered adequate.

The borrower distribution of home refinance loans is poor. The bank's lending to both LMI borrowers was poor and was lower than the 2015 HMDA aggregate lending levels. The percentage of loans to both LMI borrowers was lower than the percentage of low-and moderate-income families, respectively, and is considered poor.

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

The borrower distribution of small loans to businesses is adequate.

Refer to Table 11 in the state of Nebraska section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

The borrower distribution of small loans to businesses (businesses with gross annual revenues of \$1 million or less) is adequate. MOB's distribution of small loans to businesses was somewhat lower than the 2015 aggregate lending levels and is considered adequate performance. The percentage of loans to small businesses was lower than the percentage of small businesses and reflected poor performance.

### **Community Development Lending**

Refer to Table 1 Lending Volume in the state of Nebraska section of appendix D for the facts and data used to evaluate the bank's level of community development lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multifamily loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

CD lending had a significant positive impact on lending performance in the Omaha-Council Bluffs IA-NE MMSA AA, when considering the impact of responsiveness and initiatives. During the evaluation period, MOB originated 31 CD loans totaling \$86.8 million, or 17.6 percent of Tier One Capital allocated to the AA. These loans represent excellent responsiveness to identified needs in the area.

The CD loans are categorized by the four CD criteria, as follows. Proceeds of these loans all positively impact LMI individuals, families and/or geographies in the AA:

- Two loans totaling \$4.6 million financed affordable housing for LMI individuals and families. One \$2.9 million loan refinanced the debt on four apartment complexes in Omaha that provide a total of 144 affordable rental housing units to LMI individuals and families. The complexes are

located in low-income census tracts. All contiguous tracts are either low-income or moderate-income.

- Nine loans totaling \$7.1 million provided community services. A \$1.1 million loan supports a facility in a low-income census tract in Omaha that provides educational support, healthy meals and employment training to area LMI youth and children. This non-profit organization, working with adult volunteers, provides tools and support to these students to progress towards high school graduation and plan for future educational and/or employment goals.
- Five loans amounting to \$8.3 million facilitated economic development. A \$1.8 million line of credit provides working capital to a local company in a moderate-income census tract. The majority of the employees at the company are lower-wage workers. This loan assists in the retention of permanent jobs in the AA.
- Fifteen loans totaling \$66.8 million financed revitalization/stabilization. MOB provided a \$4.1 million bridge loan for historic tax credits and a \$10.8 million construction/mini-perm loan for the redevelopment of a former federal building in a low-income census tract in downtown Omaha. This dilapidated building has been vacant for decades and is located in the City of Omaha's Community Redevelopment Area. The loan proceeds will finance the adaptive reuse and conversion of the historic, former federal building into a mix of modern-day commercial office and retail uses. The lower level will be targeted to professionals and start-up businesses. The project's financing package includes the use of historic tax credits, New Market Tax Credits, and Tax Increment Financing.

Many CD loans collateralized by real estate also make use of low income housing tax credits (LIHTC).

### **Community Development Loans – NE Statewide**

In addition to qualified loans made within the bank's AAs, MOB originated CD loans in the broader statewide area. MOB originated two loans totaling \$5.8 million in the broader statewide area with no P/M/F to potentially benefit one or more of the bank's AAs in the state. The loans were used to construct a manufacturing facility that will create 100 additional jobs. The project is part of the city's redevelopment plan of an area had previously been declared blighted and substandard as designated by the state of Nebraska. The financing of the project includes the use of New Market Tax Credits and Tax Increment Financing.

### **Product Innovation and Flexibility**

MOB offers flexible loan programs such as Community First Home Loan Product, Federal Housing Administration (FHA), and Veteran's Administration (VA) loan products. The Community First Home Loan Product offers alternative financing to first-time homebuyers and individual with limited credit history. The program also offers up to 100 percent financing and does not require the borrower to purchase private mortgage insurance. The FHA program provides home financing for people with smaller down payments and lower credit scores. The VA program offers low government rates for VA eligible personnel. These lending programs generated 224 loans totaling \$26.8 million in the Omaha-Council Bluffs IA-NE MMSA AA. In addition, the MOB originated 21 loans under SBA lending programs totaling \$12.0 million.

## **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on the limited-scope review, MOB's performance under the lending test in the Lincoln NE MSA is consistent with the bank's overall "High Satisfactory" performance under the lending test in the state of Nebraska.

Refer to the Tables 1 through 13 in the state of Nebraska section of appendix D for the facts and data that support this conclusion.

## **INVESTMENT TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the investment test in the state of Nebraska is rated "High Satisfactory". Based on a full-scope review, the bank's performance in the Omaha-Council Bluffs IA-NE MMSA AA is good.

Refer to Table 14 in the state of Nebraska section of appendix D for the facts and data used to evaluate the bank's level of qualified investments.

During the evaluation period, MOB made 272 investments and grants totaling \$19.2 million. This includes \$782 thousand representing two prior period investments that remain outstanding and continue to benefit the AA by providing affordable housing for LMI individuals and families. Current period investments consisted of four investments totaling \$6.9 million and 266 grants and donations amounting to \$11.5 million. This is a good level of investments and represented 3.88 percent of tier one capital allocated to the Omaha-Council Bluffs IA-NE MMSA AA. Investments were responsive to CD needs in the AA.

Two investments totaling \$4.8 million are with a syndicator of LIHTC. This syndicator was created in 1993 with the objective to raise equity capital to invest in affordable rental housing throughout Nebraska. Together these investments in several properties in Douglas County provide affordable rental housing to 226 LMI families, seniors, women, and disabled adults and children. One of the projects consists of 27 single family homes that are part of an incubator style credit-to-own program that enables LMI families to become homeowners. Another is a combined use building that provides housing, child care, addiction treatment, and other treatment and support services, to pregnant women and mothers of young children while maintaining custody of their children.

The bank's responsiveness to CD needs in the AA is excellent. In addition to affordable housing, other investments focus on community services for LMI children and families, and revitalization/stabilization of LMI neighborhoods. The bank made seven cash donations totaling \$148 thousand to help fund after-school and summer programs for LMI children in the Omaha area. These programs include academic tutoring at all levels as well as college and/or employment preparation.

MOB made a \$75 thousand cash donation and an in-kind donation of office space at MOB's main office to the local chapter of a national non-profit organization. This entity provides free credit management support, homebuyer counseling and small business development coaching to LMI underserved resident adults in the area. The bank also donated \$63 thousand (non-AA specific) to the organization's financial

literacy and financial educational programs to LMI individuals and communities as well as small business owners across the enterprise. This organization is a partner with the Consumer Financial Protection Bureau.

MOB has established an equity equivalent investment product to assist small businesses by investing in a CDFI that provides loans to businesses and microenterprises that typically do not have access to bank financing. During the review period, the bank invested \$250 thousand with 50 percent to be used in the Omaha MMSA and 50 percent in the Lincoln MSA.

The bank makes good use of complex or innovative programs to support its CD investments. These include FHLB of Topeka Affordable Housing Program funds; grants from the Veterans Administration; Tax Increment Funding; LIHTC; working with the City of Omaha, its agencies, and within the guidelines of its consolidated plan; equity equivalent investments; investments in a CDFI; and entering into an arrangement with a CD organization to office at the bank to better serve its targeted LMI clients.

### **Investments – NE Statewide**

MOB made 14 qualifying CD investments totaling \$2.2 million in the broader statewide area that had no P/M/F to potentially benefit one or more of the bank's AAs in the state. In addition, one prior period mortgage-backed security remains outstanding with the P/M/F to potentially benefit one or more of the bank's AAs with a balance of \$72 thousand continues its stated benefit.

### **Conclusions for Area Receiving Limited-Scope Reviews**

Based on a limited-scope review, the bank's performance under the investment test in the Lincoln MSA is stronger than the bank's overall "High Satisfactory" performance in the state of Nebraska, due to a higher level of investments. Refer to the Table 14 in the state of Nebraska section of appendix D for the facts and data that support these conclusions.

## **SERVICE TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the service test in the state of Nebraska is rated "High Satisfactory." Based on a full-scope review, the bank's performance in the Omaha-Council Bluffs IA-NE MMSA AA is good.

### **Retail Banking Services**

Refer to Table 15 in the state of Nebraska section of appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

MOB's branch distribution in the AA is adequate. Branches are reasonably accessible to essentially all portions of geographies and individuals of different income levels in the AA. The main office is located in a low-income census tract and no branches were located in the moderate-income geographies. However, one branch located in a middle-income census tract was near-to a low-income census tract.

Further, the bank's main office was near to two moderate-income census tracts. Near-to branches are those branches located within one-half mile of a low- or moderate-income geography.

Branch openings and closings generally did not adversely affect accessibility of the bank's delivery systems to LMI geographies and individuals. During the evaluation period, the bank did not open or close any branches in the AA.

Branch hours and services do not vary in a way that would inconvenience portions of the AA, particularly LMI individuals or geographies. Services offered and banking hours are comparable among locations regardless of the income level of the geography. Although the main office of the bank, located in a low-income census tract, does not have a drive-through facility, its lobby maintains the same extended hours as the drive-through facilities at the branches.

Management complements its traditional service delivery methods with certain alternative delivery processes, including online banking, mobile banking, ATMs, and telephone banking. These delivery methods provide increased access to banking services throughout all areas in the AA. With the exception of the ATMs, we placed no significant weight on these alternative delivery systems as the bank did not maintain metrics to determine their effectiveness in helping to meet the credit needs of LMI individuals.

MOB has three branded cash-only ATMs in the AA that are located at three branch offices. The bank is partnered with *MoneyPass*, a network that offers 22,000 ATMs across the U.S. Use of these ATMs is surcharge-free to all MOB depositors. *MoneyPass* has an iPhone and Android ATM locator app for customer convenience. Among the 27 *MoneyPass* deposit-taking ATMs in the AA, one is in a low-income census tract and seven are each in a different moderate-income geography. This delivery method provides increased access to banking services to customers residing or working in these LMI census tracts.

## **Community Development Services**

MOB's performance in providing CD services is excellent. In the Omaha MMSA, 54 employees provided their expertise to 21 CD organizations for a total of 1,365 hours. Of those 54 employees, 14 served either as directors and/or committee members. This equates to over 25 percent of engaged employees serving in leadership positions. Organizations benefiting from the bank's CD services were involved in a variety of CD activities including community services targeted to LMI students, adults and families; economic development activities; and affordable housing programs. Many of the employees provided financial literacy instruction to LMI students and adults.

The following are examples of some of the CD services provided in the Omaha MMSA:

- Approximately 40 employees provided 600 hours of financial literacy instruction to LMI adults who are the recipients of financial assistance.
- One employee served as a committee member for an economic development organization dedicated to assisting small business owners.
- One employee served as a board member of an affordable housing organization. The organization provides financial and down payment assistance to LMI individuals as well as home ownership counseling.

One employee served as a director and committee member of an organization that provides services, meals and temporary shelter to the

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the service test in the Lincoln MSA is not inconsistent with the bank's overall "High Satisfactory" performance under the service test in Nebraska.

## State of Nevada

<b>CRA Rating for Nevada:</b>	<b>Satisfactory</b>
<b>The lending test is rated:</b>	<b>High Satisfactory</b>
<b>The investment test is rated:</b>	<b>Outstanding</b>
<b>The service test is rated:</b>	<b>Low Satisfactory</b>

The major factors that support this rating include:

- A good level of lending for home mortgage loans and small loans to businesses;
- An overall good geographic distribution as evidenced by good distribution of home mortgage loans and excellent distribution of small loans to businesses;
- An overall adequate distribution of loans based on borrower income level. For home mortgage loans, performance is adequate and for small loans to businesses performance is poor;
- A significant positive level of CD loans that were responsive to community needs in the Las Vegas-Henderson-Paradise NV MSA AA ;
- An excellent level of qualified investments that reflect CD responsiveness to all Nevada AAs;
- A branch distribution that was reasonably accessible to essentially all geographies and individuals of different income levels in the Nevada AAs; and
- An adequate level of CD services that was responsive to community needs.

## Description of Institution’s Operations in Nevada

MOB has three AAs within the state of Nevada. These AAs include Las Vegas-Henderson-Paradise MSA AA, comprised of Clark County; Reno MSA AA, comprised of Washoe County; and Carson City MSA AA, comprised of Carson City County. For the state of Nevada, we completed a full-scope review for the Las Vegas-Henderson-Paradise MSA AA and the Reno MSA AA.

The bank provides a full range of loan and deposit products to all AAs. MOB has five branches within the state, representing 16.7 percent of the bank’s total branch network. There was five branch closings and two branch openings in the state during the evaluation period. The branch closures were due business reasons. MOB has five ATMs within the state, representing 29.4 percent of the bank’s total ATM network. As of June 30, 2016, there were 48 financial service providers with branches in the state. MOB ranked 18<sup>th</sup> in the state in deposits, representing a 0.23 percent deposit market share. MOB’s statewide deposits totaled \$471.4 million.

Las Vegas-Henderson-Paradise MSA AA

As of June 30, 2016, there were 38 financial service providers with branches in the AA. MOB ranked 15th in AA deposits of \$318.3 million, representing a 0.60 percent deposit market share. The banking industry is highly competitive in the AA, considering the top five banks hold 74.2 percent of the deposit market share based on the June 30, 2016 FDIC Deposit Market Share data. The five largest competitors include Bank of America, N.A., Wells Fargo Bank, N.A., Wells Fargo Financial National Bank, Western Alliance Bank, and JP Morgan Chase Bank, N.A.

Reno MSA AA

As of June 30, 2016, there were 17 financial service providers with branches in the AA. MOB ranked 12th in AA deposits of \$97.2 million, representing a 0.07 percent deposit market share. The banking industry is highly competitive in the AA, considering the top five banks command 98.4 percent of the deposit market share based on the June 30, 2016 FDIC Deposit Market Share data. The five largest competitors include Charles Schwab Bank, Wells Fargo Bank, N.A., Bank of America, N.A., U.S. Bank, N.A., and ZB, N.A.

Carson City MSA AA

As of June 30, 2016, there were 10 financial service providers with branches in the AA. MOB ranked ninth in AA deposits of \$55.9 million, representing a 4.48 percent deposit market share. The banking industry is highly competitive in the AA, considering the top five banks hold 78.6 percent of the deposit market share based on the June 30, 2016 FDIC Deposit Market Share data. The five largest competitors include Wells Fargo Bank, N.A., U.S. Bank, N.A., Bank of America, N.A., City National Bank, and ZB, N.A.

Refer to the market profiles for the state of Nevada in appendix C for detailed demographics and other performance context information for AAs that received full-scope reviews.

**Scope of Evaluation in Nevada**

For the state of Nevada, we completed full-scope reviews of the Las Vegas-Henderson-Paradise NV MSA AA and the Reno NV MSA AAs. A limited-scope review was completed for the Carson City NV MSA AA. The Las Vegas-Henderson-Paradise NV MSA AA contains 67.5 percent of Nevada deposits and 38.4 percent of Nevada loan activity during the evaluation period and the Reno NV MSA AA contains 20.6 percent of Nevada deposits and 60.2 percent of Nevada loan activity during the evaluation period. Ratings for the state of Nevada are primarily on performance in the full-scope AAs, with both the Las Vegas-Henderson-Paradise NV MSA AA and the Reno NV MSA AA being given equivalent weight.

Loan products evaluated include home purchase, and home refinance loans, reported under the HMDA, and small loans to businesses reported under the CRA.

We reviewed three community contacts. The community contact conducted in the Las Vegas-Henderson-Paradise MSA AA indicated a need for financial training for young business entrepreneurs and financial education for small business owners. Two community contacts were completed in the Reno MSA AA. An economic development organization indicated a need for additional small business lending and financial education programs. An additional community contact indicated a need for affordable housing for LMI individuals and families.

Refer to the tables in appendix A for more information on the Nevada AAs.

## **LENDING TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The Bank's performance under the lending test in Nevada is rated "High Satisfactory". Based on full-scope reviews, the bank's performance in the Las Vegas-Henderson-Paradise NV MSA AA and the Reno NV MSA AA is good.

### **Lending Activity**

The bank's overall lending activity in the state of Nevada is good, considering the strong competition for all types of loans in the bank's AAs. The bank's good performance in originating home mortgage loans and small loans to businesses supports this conclusion, when considering MOB's business strategy and the level of competition in the markets

Refer to Tables 1 Lending Volume in the state of Nevada section of appendix D for the facts and data used to evaluate the bank's lending activity.

#### Las Vegas-Henderson-Paradise NV MSA

MOB's lending activity in the Las Vegas-Henderson-Paradise NV MSA is adequate. Home mortgage lending activity and small business lending activity is adequate considering the MOB's business strategy and the level of competition in the markets.

Based on FDIC Deposit Market Share data as of June 30, 2015, MOB had a total deposit market share of 0.66 percent and was ranked 13<sup>th</sup> of 38 financial institutions taking deposits in the AA. Based on 2015 peer mortgage data, MOB had a 0.03 percent market share of home purchase loans, ranking 144<sup>th</sup> of 349 reporting lenders in the AA. The top five home mortgage lenders were Wells Fargo Bank, National Association (NA); US Bank, NA; Stearns Lending; Freedom Mortgage Corporation; and SecurityNational Mortgage Company. The bank had less than 0.01 percent market share of home refinance loans, ranking 257<sup>th</sup> of 343 reporting lenders. The top five home refinance lenders were Wells Fargo Bank, NA; Quicken Loans; Freedom Mortgage Corporation; Bank of America, NA; and loananddepot.com, LLC. This performance is lower than MOB's deposit market share and rank; however, based on MOB's 2015 change in business strategy and the level of competition in the market, such performance does not materially detract from the Bank's overall lending activity performance.

Based on 2015 peer market data, MOB had a 0.03 percent market share of small loans to businesses, ranking 35<sup>th</sup> of 122 reporting lenders. When the dollar amount of loans is considered, the bank had a market share of 0.24 percent and ranked 28<sup>th</sup>. A comparison based on dollar volume of lending is more meaningful because of the inclusion of a large number of credit card lenders in the 122 reporting lenders. Credit card lenders originate a large number of loans, but the overall dollar volume is significantly smaller. For example, the top five small business loan reporters in the AA are all credit card lenders. The top five small business lenders were American Express Bank, FSB; Wells Fargo, NA; Bank of America, NA; US Bank, NA; and Capital One Bank, NA. Combined, these five lenders have a market share of 67.33 percent, based on number of loans, but only a 47.4 percent market share based on dollar volume.

Reno NV MSA

MOB's lending activity in the Reno NV MSA is good. Home mortgage lending activity is good and small business lending activity is excellent considering the MOB's business strategy and the level of competition in the markets.

Based on FDIC Deposit Market Share data as of June 30, 2015, MOB had a total deposit market share of 0.09 percent and was ranked 10<sup>th</sup> of 14 financial institutions taking deposits in the AA. Based on 2015 peer mortgage data, MOB had a 0.06 percent market share of home purchase loans, ranking 88<sup>th</sup> of 210 reporting lenders in the AA. The top five home mortgage lenders were Guild Mortgage Company; US Bank, NA; Wells Fargo Bank, NA; Summit Funding, Inc.; and Universal American Mortgage Company, LLC. The bank had 0.06 percent market share of home refinance loans, ranking 119<sup>th</sup> of 213 reporting lenders. The top five home refinance lenders were Wells Fargo Bank, NA; Quicken Loans; Guild Mortgage Company; Bank of America, NA; and loananddepot.com, LLC. This performance is near MOB's deposit market share and rank even given the level of competition in the market.

Based on 2015 peer market data, MOB' had a 0.55 percent market share of small loans to businesses, ranking 15<sup>th</sup> of 79 reporter lenders. When the dollar amount of loans is considered, the bank had a market share of 1.59 percent and was ranked 11<sup>th</sup>. The level of small business lending market share significantly exceeds the deposit market share both by number and dollar of loans.

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

The geographic distribution of loans reflects good penetration. The geographic distribution of home mortgage loans is good and the geographic distribution of small loans to businesses is excellent. In performing our analysis, we placed greater weight on home mortgage lending performance as these loans represented the majority of the bank's reportable lending activity. Within the home mortgage loans, we gave equal weight to home purchase and home refinance loans based on the level of originations during the evaluation period.

***Home Mortgage Loans***

The geographic distribution of home mortgage loans is good.

Refer to Tables 2, 4, and 5 in the state of Nevada section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations/purchases.

Las Vegas-Henderson-Paradise NV MSA AA

The geographic distribution of home mortgage loans reflects good penetration throughout the AA. The distribution of home purchase loans is excellent and the distribution of refinance loans is poor.

In evaluating the geographic distribution of home mortgage loans in the Las Vegas-Henderson-Paradise NV MSA AA, it is important to note that according to data in the 2010 U.S. Census, LMI geographies contained 1.7 percent (7,066) and 15.5 percent (62,913) of the total owner-occupied housing units in the AA, respectively. Of the total housing units in low-income geographies (per 2010 Census data), rental and vacant units account for 66.5 percent (31,340) and 18.6 percent (8,750),

respectively. For moderate-income geographies, rental and vacant units account for 50.1 percent (95,576) and 17.3 percent (33,298), respectively. Based on these statistics and the significant competition from very large institutions with significant mortgage lending operations in the AA, the bank had somewhat limited opportunities for home mortgage lending in these geographies. In addition, MOB does not conduct outreach to potential borrowers for mortgage loans.

The geographic distribution of home purchase loans reflects excellent penetration throughout the AA. The percentage of loans in LMI geographies exceeded 2015 HMDA aggregate lending levels. The percentage of loans in low-income geographies was somewhat lower than the owner-occupied units in these geographies, while the percentage of loans in moderate-income geographies exceeded the owner-occupied units in these geographies.

The geographic distribution of home refinance loans reflects poor penetration throughout the AA. The bank made no home refinance loans in low-income tracts. However, according to 2010 U.S. Census data, less than two percent of owner-occupied units are located in low-income tracts which limits the bank's opportunity to make loans in these geographies. Therefore, we placed primary weight on performance in the moderate-income census tracts. The percentage of loans in moderate-income geographies is somewhat lower than the percentage of loans in 2015 HMDA aggregate lending levels. The geographic distribution of loans in moderate-income geographies is significantly lower than the percentage of owner-occupied units in these geographies.

#### Reno NV MSA AA

The geographic distribution of home mortgage loans in LMI geographies is good. The distribution of home purchase loans is excellent and the distribution of refinance loans is poor.

In evaluating the geographic distribution of home loans in the Reno NV MSA AA, it is important to note that according to data obtained in the 2010 U.S. Census, low-income geographies contained 3.5 percent (3,415) and 15.7 percent (15,204) of total owner-occupied housing units in the AA, respectively. Of the total housing units located in low-income geographies (per 2010 Census data), rental and vacant units account for 69.9 percent (13,405) and 12.3 percent (2,360), respectively. For moderate-income geographies, rental and vacant units account for 54.0 percent (23,816) and 11.6 percent (5,112), respectively. As previously noted above, based on these statistics and the high level of competition, the bank had somewhat limited opportunities for home mortgage lending in LMI census tracts.

The geographic distribution of home purchase loans reflects excellent penetration throughout the AA. The percentage of loans in LMI geographies exceeded 2015 HMDA aggregate lending levels. The percentage of loans in low-income geographies was somewhat lower than the owner-occupied units in these geographies, while the percentage of loans in moderate-income geographies exceeded the owner-occupied units in these geographies.

The geographic distribution of home refinance loans reflects poor penetration throughout the AA. The bank made no loans in low-income tracts. However, less than four percent of owner-occupied units in the AA are in low-income tracts, which limits the bank's opportunity to make loans in these geographies; therefore, we placed primary weight on performance in the moderate-income census tracts. The percentage of loans in moderate-income geographies is somewhat lower than the 2015 HMDA aggregate lending levels. The geographic distribution of loans in moderate-income geographies is significantly lower than the percentage of owner-occupied units in these geographies.

***Small Loans to Businesses***

The geographic distribution of small loans to business is excellent.

Refer to Table 6 in the state of Nevada section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

**Las Vegas-Henderson-Paradise NV MSA AA**

The geographic distribution of small loans to businesses reflects excellent penetration throughout the AA. The bank's lending in both LMI geographies exceeded 2015 aggregate lending levels. This represents excellent performance. The percentage of loans in LMI geographies was near the percentage of businesses located in those geographies.

**Reno NV MSA AA**

The geographic distribution of small loans to businesses reflects excellent penetration throughout the AA. The percentage of loans in low-income geographies was lower than 2015 aggregate lending levels and significantly lower than the percentage of businesses located in those geographies; however, the percentage of loans in moderate-income geographies exceeded 2015 aggregate lending levels and the percentage of businesses located in those geographies.

It is important to note when analyzing small business loan data in this AA, that one borrower located in a moderate-income census tract accounts for over 80.0 percent of all small loans to businesses reported in the AA. When adjusting for this borrower's lending, the bank's percent of loans in low-income geographies increases from 3.9 percent to 19.5 percent, which exceeds the 2015 aggregate lending levels and the percentage of businesses located in low-income geographies. Conversely, the bank's percentage of loans in moderate-income geographies decreases from 88.9 percent to 45.1 percent, but still exceeds 2015 aggregate lending levels and the percentage of businesses located in moderate-income geographies.

***Lending Gap Analysis***

We reviewed summary reports and maps and analyzed MOB's home mortgage and small business lending activity over the evaluation period to identify any gaps in the geographic distribution of loans. We did not identify any unexplained conspicuous gaps.

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

The borrower distribution of the bank's lending is adequate. Home mortgage loan performance was adequate and loans to small businesses was poor. We place more emphasis on the bank's home mortgage loans, but small business loan performance was still considered.

***Home Mortgage Loans***

The borrower distribution of home mortgage loans is adequate. Distribution of loans was adequate in the Las Vegas-Henderson-Paradise NV MSA AA and good in the Reno MSA AA.

Refer to Tables 8 and 10 in the state of Nevada section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

Las Vegas-Henderson-Paradise NV MSA AA

The distribution of borrowers for home mortgage loans reflects adequate penetration among borrowers of different income levels. The distribution of home purchase loans is adequate and the distribution of home refinance loans is poor.

In performing our analysis of lending in the AA, we considered the level of families below the poverty level, as well as the general affordability of housing to LMI borrowers. Based on 2010 U.S. Census data, 8.7 percent of families in the AA were below poverty level. Home ownership can be difficult due to the median housing prices compared to median family incomes. According to the 2010 U.S. Census, the median housing value was \$253,307. Median home prices may impact home ownership capacity, especially for LMI individuals given the high median price compared with the high-end for low-income of \$29,600 and \$47,360 for moderate-income individuals. These income levels and the level of families living below poverty, impact the number of LMI individuals and families that can afford owner-occupied housing in this AA.

The borrower distribution of home purchase loans is adequate, given performance context factors. The percentage of loans to low-income borrowers is lower than 2015 HMDA aggregate lending levels and the percentage of low-income families. The percentage of loans to moderate-income borrowers is lower than 2015 HMDA aggregate lending levels and somewhat lower than the percentage of moderate-income families.

The borrower distribution of home refinance loans is poor. The bank did not originate any loans to low-income borrowers. The percentage of loans to moderate-income borrowers is somewhat lower than 2015 HMDA aggregate lending levels and the percentage of moderate-income families.

Reno NV MSA AA

The distribution of borrowers for home mortgage loans reflects good penetration among borrowers of different income levels. The distribution of home purchase loans is excellent and the distribution of home refinance loans is poor.

In performing our analysis of lending in the AA, we considered the level of families below the poverty level, as well as the general affordability of housing to LMI borrowers. Based on 2010 U.S. Census data, 8.5 percent of families in the AA were below poverty level. Home ownership can be difficult due to the median housing prices compared to median family incomes. According to the 2010 U.S. Census, the median housing value was \$298,970. Median home prices may impact home ownership capacity especially for LMI individuals given the high median price compared with the high-end for low-income of \$31,750 and \$59,800 for moderate-income individuals. These income levels and the level of families living below poverty, impact the number of LMI individuals and families that can afford owner-occupied housing in this AA.

In addition, we considered the average age of the housing stock in the AA, according to the 2010 U.S. Census data, which was 26 years for all census tracts in the AA. We note that older housing often has higher maintenance costs compared to new housing stock. These additional factors and costs may negatively affect the ability of LMI individuals to qualify for mortgage loans.

The borrower distribution for home purchase loans is excellent. The percentage of loans to low-income borrowers exceeded the 2015 HMDA aggregate lending levels and is near the percentage of low-income families. The percentage of loans to moderate-income borrowers exceeded the 2015 HMDA aggregate level and the percentage of moderate-income families.

The borrower distribution of home refinance loans is poor. The percentage of loans to low-income borrowers is near the 2015 HMDA aggregate lending levels, but is lower than the percentage of low-income families. The percentage of loans to moderate-income borrowers is significantly lower than the percentage of loans made by peers and the percentage of moderate-income families.

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

The borrower distribution of small loans to businesses is poor. Distribution of small loans to businesses is adequate in the Las Vegas-Henderson-Paradise NV MSA AA and very poor in the Reno MSA AA.

Refer to Table 11 in the state of Nevada section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

#### Las Vegas-Henderson-Paradise NV MSA AA

The borrower distribution of small loans to businesses is adequate. The percentage of MOB's small loans to small businesses is somewhat lower than the 2015 aggregate lending and lower than the percentage of small businesses in the AA.

#### Reno NV MSA AA

The borrower distribution of small loans to businesses is poor. The percentage of MOB's small loans to small businesses is significantly lower than the 2015 aggregate lending and the percent of small businesses in the AA.

### **Community Development Lending**

Refer to Table 1 Lending Volume in the state of Nevada section of appendix D for the facts and data used to evaluate the bank's level of community development lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multifamily loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

In Nevada, CD lending had a significant positive impact on the lending test, when considering responsiveness in the Las Vegas-Henderson-Paradise NV MSA AA.

#### Las Vegas-Henderson-Paradise NV MSA AA

CD Lending had a positive impact on lending performance. The bank originated four CD loans totaling \$21.4 million in the AA, representing 62.9 percent of allocated Tier One Capital. The bank's CD loans were highly responsive to AA needs. The CD lending supported affordable housing for low- and moderate income individuals and promoted activities that revitalized or stabilized low- or moderate-income geographies.

Three of the loans, totaling \$17.7 million, were for the acquisition and rehabilitation of multifamily

properties located in low-income census tracts surrounded by LMI census tracts. Rental cost at the locations are less than 30 percent of the moderate-income threshold for the AA. Affordable housing was identified as a need within the community through community conversations that the bank engaged in. One loan was a \$3.7 million revitalization/stabilization CD loan for the acquisition of a shopping center in a low-income census tract that was identified by the City of Las Vegas as a Redevelopment Area and a severely distressed New Market Tax Credit (NMTC) census tract. The project provided job opportunities for LMI persons.

#### Reno NV MSA AA

For the Reno NV MSA AA, CD Lending had a neutral on lending performance. The bank originated one CD loan totaling \$75 thousand loan in the AA, representing 0.72 percent of allocated Tier One Capital. The line of credit was to a nonprofit corporation whose purpose and mission is to provide services and direct assistance to low-income individuals and families.

### **Product Innovation and Flexibility**

MOB offers flexible loan programs such as Community First Home Loan Product, Federal Housing Administration (FHA), and Veteran's Administration (VA) loan products. The Community First Home Loan Product offers alternative financing to first-time homebuyers and individual with limited credit history. The program also offers up to 100 percent financing and does not require the borrower to purchase private mortgage insurance. The FHA program provides home financing for people with smaller down payments and lower credit scores. The VA program offers low government rates for VA eligible personnel. These lending programs generated 54 loans totaling \$8.6 million in the Las Vegas-Henderson-Paradise NV MSA AA and the Reno NV MSA AA. In addition, the MOB originated 12 loans under SBA lending programs totaling \$4.2 million in these AAs.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

In the Carson City NV MSA AA, the bank's performance is weaker than the bank's overall performance in the state. Refer to the Tables 1 through 13 in the state of Nevada section of appendix D for the facts and data that support these conclusions. We could not perform a meaningful analysis of lending in the Carson City NV MSA AA due to an insufficient volume of lending. No CD loans were originated in the AA. Performance in this AA did not affect the overall rating since this AA represented less than one percent of total bank deposits.

## **INVESTMENT TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the investment test in Nevada is rated "Outstanding". Based on full-scope reviews, the bank's performance in the Las Vegas-Henderson-Paradise MSA AA and the Reno NV MSA AA is excellent.

Refer to Table 14 in the state of Nevada section of appendix D for the facts and data used to evaluate the bank's level of qualified investments.

Las Vegas-Henderson-Paradise NV MSA AA

During the evaluation period, the bank made 19 investments, grants, and donations, totaling \$5.7 million, representing 16.6 percent of allocated Tier One Capital. In addition, the bank continues to hold three investments that remain outstanding from the prior evaluation period, with a book value of \$563 thousand and an unfunded commitment of \$902 thousand.

The responsiveness to the CD needs is excellent. The bank held community conversations, which identified financial education, affordable housing and small business community's ability to access credit as the credit needs in the community. Our community contact identified the need for financial training for young entrepreneurs, and education for small business to learn how to compete for government contracts and programs. In terms of volume, 93.4 percent of the bank's investments are mortgage-backed securities, all of which were responsive to affordable housing needs in the AA.

Examples of other responsive CD investments and grants include:

- Donation of office space at the Henderson, NV branch to an organization that provides financial literacy programs. This donation is responsive to the identified needs within the AA.. By working with the bank, the organization can attract more customers and member in a cost effective manner. In addition, to the office space, MOB also made a \$50,000 donation to the organization.
- An \$8,000 donation to an organization that provides vocational training to persons with intellectual disabilities who are unemployed or underemployed.
- A \$10,000 donation to an organization that assists homeless persons by quickly rehousing homeless individuals and families. In addition, they provide assistance with rental, utility and food needs.

Reno NV MSA AA

During the evaluation period the bank made 16 investments, grants, and donations, totaling \$5.0 million, representing 48.6 percent of allocated tier one capital. In addition, the bank continues to hold two investments that remain outstanding from the prior period, with a book value of \$433 thousand.

The responsiveness to CD needs is excellent. The bank held community conversations, which identified financial education, affordable housing and small business community's ability to access credit as the credit needs in the community. Our community contact identified a need for educational programs for small businesses, as well as more access to credit. In terms of volume, 91.6 percent of the bank's investments are mortgage-backed securities, all of which were responsive to affordable housing needs in the AA. Examples of other responsive CD investments and grants include:

- A \$5,000 donation to an organization that provides food, shelter, clothing, and other basic needs to LMI individuals and families.
- A \$3,000 donation to an organization that provides financial literacy programs and educational scholarships for low-income individuals.
- A \$2,500 donation to support an organization that provides affordable housing to low-income and homeless families.

## Conclusions for Area Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the investment test in the Carson City NV MSA AA is consistent with the bank's overall "Outstanding" performance under the investment test in Nevada.

## SERVICE TEST

### Conclusions for Areas Receiving Full-Scope Reviews

The performance under the service test in Nevada is rated "Low Satisfactory". The performance in the Las Vegas-Henderson-Paradise NV MSA AA and the Reno NV MSA AA is adequate.

### Retail Banking Services

Refer to Table 15 in the state of Nevada section of appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

#### Las Vegas-Henderson-Paradise NV MSA AA

The bank's branch distribution in the AA is adequate. Branches are readily accessible to geographies and individuals of different income levels. The bank has three branches in the AA, of which one branch is located in a moderate-income geography, and one branch is within a half mile of a moderate-income geography.

Services do not vary in a way that inconveniences portions of the AA, particularly LMI geographies and/or individuals. The branch hours are adequately tailored to meet the needs of LMI individuals. The bank offers standard business hours of 9:00 am to 5:00 pm at all locations. For the branch in a moderate-income census tract, MOB extended the drive thru hours by one hour in the morning to 8:00 am. There are no business hours after 5:00 pm or on weekends. Each branch location has a full-service ATM, which allows for many basic transactions.

The bank closed three branches during the assessment period, two branches were in middle-income census tracts and one was in a moderate-income census tract. In addition, one branch was opened in a middle-income census tract. The closing of the branch in the moderate-income census tract did not adversely affect LMI individuals, given that one middle-income branch is near a moderate-income geography.

Management complements its traditional service delivery methods with certain alternative delivery processes, including mobile banking, ATMs, and telephone banking. These delivery methods provide increased access to banking services throughout all areas in the AA. With the exception of ATMs, we placed no significant weight on these alternative delivery systems as the bank did not maintain metrics to determine their effectiveness in helping to meet the banking needs of LMI individuals.

MOB has three branded full-service ATMs in the AA that are located at three branch offices. The bank is also partnered with *MoneyPass*, a network that offers 22,000 ATMs across the U.S. Use of these

ATMs is surcharge-free to all MOB depositors. *MoneyPass* has an iPhone and Android ATM locator app for customer convenience. Among the 73 *MoneyPass* deposit-taking ATMs in the AA, five are in low-income census tracts and 12 are in a moderate-income geography. This delivery method provides increased access to banking services to customers residing or working in these LMI census tracts.

### Reno NV MSA AA

The bank's branch distribution in the AA is adequate. The branch location is accessible to essentially all portions of the AA and individuals of different income levels. MOB has one branch in the AA, located in an upper-income census tract that is within a half-mile of a moderate-income census tract.

During the review period the bank closed two branches, one was in a moderate-income census tract and one branch location was situated in a geography with no income designation. MOB also opened a branch in an upper income tract that is within a half mile of a moderate-income census tract. Despite the closure of a branch in a moderate-income census tract. LMI geographies and individuals were generally not adversely affected because the bank opened a branch within a half-mile of a moderate-income census tract.

Services do not vary in a way that inconveniences portions of the AA, particularly LMI geographies and/or individuals. The bank's branch hours are adequately tailored to meet the needs of LMI individuals. The bank offers standard business hours of 9:00 am to 5:00 pm. There are no business hours after 5:00 pm or on the weekends. The branch does have a full service ATM which would allow many basic transactions.

Management complements its traditional service delivery methods with certain alternative delivery processes, including mobile banking, ATMs, and telephone banking. These delivery methods provide increased access to banking services throughout all areas in the AA. With the exception of ATMs, we placed no significant weight on these alternative delivery systems as the bank did not maintain metrics to determine their effectiveness in helping to meet the banking needs of LMI individuals.

MOB has a branded full-service ATM at the branch location. The bank is also partnered with *MoneyPass*, a network that offers 22,000 ATMs across the U.S. Use of these ATMs is surcharge-free to all MOB depositors. *MoneyPass* has an iPhone and Android ATM locator app for customer convenience. Among the 21 *MoneyPass* deposit-taking ATMs in the AA, six are in low-income census tracts and three are in a moderate-income geography. This delivery method provides increased access to banking services to customers residing or working in these LMI census tracts.

## **Community Development Services**

The bank's performance in providing CD services was adequate. In the Las Vegas-Henderson-Paradise NV MSA AA, performance is good and in the Reno NV MSA AA performance was poor. CD services focused on community services targeting LMI individuals.

### Las Vegas-Henderson-Paradise NV MSA AA

The performance in providing CD services in the Las Vegas-Henderson-Paradise NV MSA is good. In total, seven employees participated in over 50 CD activities, accounting for over 100 hours of service. The CD activities involved three different organizations targeting LMI individuals where employees used their financial expertise to teach financial literacy.

The organizations and service activity focused on:

- educating and empowering youth and adults regarding credit basics and how to manage money,
- educating homeless and abused women on how to rebuild credit and re-establish themselves financially, and
- educating elementary school students regarding the importance of saving, and the differences between wants and needs.

Reno NV MSA AA

The performance in providing CD services in the Reno NV MSA is poor. In total, one employee participated in one CD activity, accounting for two hours of service.

**Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank’s performance under the service test in the Carson City NV MSA AA is consistent with the bank’s overall “Low Satisfactory” performance under the service test in Nevada.

Refer to Table 15 in the state of Nevada section of appendix D for the facts and data that support these conclusions.

## State of Texas

<b>CRA Rating for Texas</b>	<b>Satisfactory</b>
<b>The lending test is rated:</b>	<b>Low Satisfactory</b>
<b>The investment test is rated:</b>	<b>Outstanding</b>
<b>The service test is rated:</b>	<b>Needs to Improve</b>

The major factors that support this rating include:

- An excellent level of lending for home mortgage loans and small loans to businesses;
- Overall poor geographic distribution of lending. Good small loans to businesses performance was offset by poor performance in home mortgage loans;
- Overall poor borrower income distribution. Good small loans to businesses performance was offset by poor performance in home mortgage loans;
- An excellent level of responsive community development lending that had a significant positive impact on the lending test;
- An excellent level of qualified investments that reflects excellent responsiveness to credit and community development needs;
- Poor retail service delivery systems that are accessible to limited portions of geographies and individuals of different income levels in the AA; and
- Adequate community development service performance.

## Description of Institution’s Operations in Texas

MOB has three AAs within the state of Texas. These AAs include the Dallas-Plano-Irving MD AA, comprised of Dallas County; the Houston-Woodlands-Sugar Land MSA AA, comprised of Harris County; and the Fort Worth-Arlington MD AA, comprised of Tarrant County.

The bank provides a full range of loan and deposit products to all AAs. MOB has five branches within the state, representing 16.7 percent of the bank’s total branch network. MOB has four ATMs within the state, representing 23.5 percent of the bank’s total ATM network. As of June 30, 2016, there were 541 financial service providers with branches in the state. MOB ranked 330th in the state in deposits, representing a 0.02 percent deposit market share. MOB’s statewide deposits totaled \$120.8 million.

### Dallas-Plano-Irving MD AA

As of June 30, 2016, there were 101 financial service providers with branches in the AA. MOB ranked 63rd in AA deposits of \$67.5 million, representing a 0.04 percent deposit market share. The banking industry is highly competitive in the AA, considering the top five banks hold 76.5 percent of the deposit market share based on the June 30, 2016 FDIC Deposit Market Share data. The five largest competitors

in the AA include Bank of America, N.A., JP Morgan Chase Bank, N.A., Texas Capital Bank, N.A., Wells Fargo Bank, N.A., and Compass Bank.

#### Houston-Woodlands-Sugar Land MSA AA

As of June 30, 2016, there were 79 financial service providers with branches in the AA. MOB ranked 66th in AA deposits of \$45.6 million, representing a 0.03 percent deposit market share. The banking industry is highly competitive in the AA, considering the top five banks hold 73.3 percent of the deposit market share based on the June 30, 2016 FDIC Deposit Market Share data. The five largest competitors in the AA are JP Morgan Chase Bank, N.A., Wells Fargo Bank, N.A., Bank of America, N.A., Compass Bank, and ZB, N.A.

#### Fort Worth-Arlington MD AA

As of June 30, 2016, there were 62 financial service providers with branches in the AA. MOB ranked 58th in AA deposits of \$7.7 million, representing a 0.02 percent deposit market share. The banking industry is highly competitive in the AA, considering the top five banks hold 69.2 percent of the deposit market share based on the June 30, 2016 FDIC Deposit Market Share data. The five largest competitors in the AA include JP Morgan Chase Bank, N.A., Wells Fargo Bank, N.A., Bank of America, N.A., Frost Bank, and Compass Bank.

Refer to the market profiles for the state of Texas in appendix C for detailed demographics and other performance context information for AAs that received full-scope reviews.

### **Scope of Evaluation in Texas**

We conducted full-scope reviews of the Dallas-Plano-Irving MD AA and the Houston-Woodlands-Sugar Land MSA AA based on the level of deposits, branch offices and reportable lending in the state in these AAs. The Dallas-Plano-Irving MD AA accounts for 55.9 percent of MOB's deposits in Texas while the Houston-Woodlands-Sugar Land MSA AA accounts for 37.8 percent. Branch distribution within the state shows both AAs with 40.00 percent or two branches in each AA. Relative to HMDA and CRA reportable loans, the Dallas-Plano-Irving MD AA had 55.3 percent and the Houston-Woodlands-Sugar Land MSA AA had 30.9 percent. A full-scope review considers complete performance context information, quantitative factors and qualitative factors. Based on its lesser volumes, we conducted a limited-scope review of the Fort Worth-Arlington MD MSA AA. Limited-scope reviews consider primarily quantitative factors with performance context data limited to the comparable demographics. The state of Texas ratings are based primarily on results of the full-scope areas.

The Dallas-Plano-Irving MD AA received the most weight on final ratings as this AA had the largest percentage of the bank's deposits and loans in the state of Texas. In our evaluation under the lending test for geographic distribution and borrower income criteria, we performed separate analyses of 2012 through 2013 data and 2014 through 2015 data, due to OMB changes in the AAs effective in 2014. The lending tables presented in appendix D reflect performance for the 2014 through 2015.

We reviewed three community contacts in the state of Texas. Two of the contacts were in the Dallas-Plano-Irving MD AA. The community services organization cited needs for an improvement in public education and post-purchase counseling for homebuyers. The contact also indicated that banks should increase funding to develop vacant land in order to encourage neighborhood-oriented retail business development. The economic development organization contact stated there exist continuing needs for

small business working capital and outreach by financial institutions to diverse communities.

The contact in the Houston-Woodlands-Sugar Land MSA AA was associated with a small business development organization and indicated there is an ongoing need for improved lending to small businesses. Specifically, the contact noted that businesses with ten to 20 employees have a need for bank outreach and financing. The contact suggested that banks could partner with small business development centers to reach the business owners.

Refer to the tables in appendix A for more information on the Texas AAs.

## **LENDING TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the lending test in the state of Texas is rated "Low Satisfactory". Based on a full-scope review, the bank's performances in the Dallas-Plano-Irving MD AA and the Houston-Woodlands-Sugar Land MSA AA are adequate. In performing our analysis, we placed greater weight on the bank's home mortgage lending, as this loan category represented the largest of MOB's reportable lending activities. Additionally, for the geographic distribution and borrower income distribution analysis, we placed equal weight on the bank's performance in 2012 through 2013 and 2014 through 2015. The exception is the home refinance loans that the bank did not originate in sufficient volume in 2014 through 2015 to provide a meaningful analysis. The level of community development lending had a significant positive impact on lending performance when considering the impact of responsiveness and initiatives

### **Lending Activity**

The bank's overall lending activity is excellent when considering the strong competition for all types of loans in the Dallas-Plano-Irving MD AA and the Houston-Woodlands-Sugar Land MSA AA.

Refer to Table 1 Lending Volume in the state of Texas section of appendix D for the facts and data used to evaluate the bank's lending activity.

#### Dallas-Plano-Irving MD

MOB's lending activity in the Dallas-Plano-Irving MD is excellent, when considering the bank's business strategy and loan competition. Home mortgage lending activity and small business lending activity are excellent.

Based upon FDIC Deposit Market Share data as of June 30, 2015, MOB achieved a 0.05 percent market share of deposits, ranking 59<sup>th</sup> among 100 financial institutions in the AA and placing them in the top 59.0 percent of total depository banks. According to 2015 peer mortgage data, MOB achieved a 0.05 percent market share for home purchase lending. The bank was ranked 198<sup>th</sup> out of 679 lenders in home purchase lending, which is equivalent to being in the top 29.2 percent of lenders in the AA. Given the competition from the other reporting lenders in the AA and the bank's higher lender rankings for the home purchase loan product, lending activity is excellent. Although MOB's volume of refinance loans in 2014 through 2015 was insufficient to be ranked, its lending performance in 2012 through 2013 was excellent. MOB achieved a 0.08 percent market share of home refinance loans and was ranked 132<sup>nd</sup>

out of 512 lenders, which is equivalent to being in the top 25.8 percent of lenders in the AA. This compared favorably to MOB's 0.07 percent market share of deposits in 2013 that placed them in the top 59.41 percent of total depository banks. This is considered excellent performance.

Based upon 2015 peer small business data, MOB achieved a 0.03 percent market share of small business loans, and was ranked 74<sup>th</sup> among 168 reporting small business lenders. This is equivalent to being in the top 44.1 percent of lenders. For small business loans, the top five lenders collectively had 60.9 percent of the total market share. This is considered good performance. Relative to the 2012 through 2013 lending period and based upon 2013 peer small business data, MOB achieved a 0.07 percent market share of small business loans and was ranked 51<sup>st</sup> out of 154 reporting small business lenders. This was equivalent to being in the top 33.1 percent of lenders. This compared favorably to MOB's 0.07 percent market share of deposits in 2013 that placed them in the top 59.4 percent of total depository banks. This is considered excellent performance. Factoring in the bank's significantly higher small business loan volume in the 2012 through 2013 period than in the succeeding two-year lending period, its overall small business lending activity is excellent.

#### Houston-Woodlands-Sugar Land MSA

MOB's lending activity in the Houston-Woodlands-Sugar Land MSA is excellent, when considering the bank's business strategy and loan competition. Home mortgage lending activity and small business lending activity are excellent.

Based upon FDIC Deposit Market Share data as of June 30, 2015, MOB achieved a 0.02 percent market share of deposits, ranking 68<sup>th</sup> among 80 financial institutions in the AA and placing them in the top 85.0 percent of total depository banks. According to 2015 peer mortgage data, MOB achieved a 0.02 percent market share for home purchase lending. The bank was ranked 279<sup>th</sup> out of 717 lenders in home purchase lending, which is equivalent to being in the top 38.9 percent of lenders in the AA. Given the competition from the other reporting lenders in the AA and the bank's higher lender rankings for the home purchase loan product, lending activity is excellent. Although MOB's volume of refinance loans in 2014 through 2015 was also too insufficient to be ranked, its lending performance in 2012 through 2013 was excellent. MOB achieved a 0.03 percent market share of home refinance loans and was ranked 205<sup>th</sup> out of 556 lenders, which is equivalent to being in the top 36.9 percent of lenders in the AA. This compared favorably to MOB's 0.02 percent market share of deposits in 2013 that placed them in the top 84.88 percent of total depository banks. This is considered excellent performance.

Based upon 2015 peer small business data, MOB achieved a 0.02 percent market share of small business loans, and was ranked 63<sup>rd</sup> among 169 reporting small business lenders. This is equivalent to being in the top 37.3 percent of lenders. For small business loans, the top five lenders collectively had 65.2 percent of the total market share. This is considered excellent performance. MOB also exhibited an excellent performance during the 2012 through 2013 lending period with a similar number of small business loans granted.

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

Overall, the geographic distribution of the bank's lending is poor. Good performance was evidenced in small loans to businesses. This was offset by poor performance in home mortgage loans, which received greater emphasis on the overall rating. As stated above, we placed equal weight on the bank's performance in 2012 through 2013 and 2014 through 2015.

***Home Mortgage Loans***

Overall, the geographic distribution of home mortgage loans is poor.

Refer to Tables 2, 4, and 5 in the state of Texas section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations/purchases.

**Dallas-Plano-Irving MD**

Overall, the geographic distribution of home mortgage loans is poor.

In evaluating the geographic distribution of home loans in the Dallas-Plano-Irving MD, it is important to note that, according to the 2010 U.S. Census data, of the 529 census tracts in the Dallas-Plano-Irving MD, 104 are low-income (19.7 percent of total census tracts) and 176 (33.3 percent of total census tracts) are moderate-income. Only 9.4 percent of the owner-occupied housing units (42,784) in the AA are in the low-income tracts. Of the total housing units in the low-income geographies, rental and vacant units account for a total of 75.7 percent or 133,045 housing units. Owner-occupied housing in the moderate-income census tracts represents 30.8 percent (139,927) of the AA's total. The rental and vacant units in the moderate-income geographies account for 53.1 percent (158,335) of the total housing units. Based on these statistics and the significant competition from very large institutions with significant mortgage lending operations in the AA, the bank had limited opportunities for residential lending in the low-income geographies. In addition, MOB does not conduct outreach to potential borrowers for mortgage loans.

The overall geographic distribution of home purchase loans is adequate. The bank's geographic distribution of home purchase loans during the 2012 through 2013 lending period was very poor. The bank's geographic distribution of home purchase loans during 2014 through 2015 was good. The bank's lending in the low-income census tracts was somewhat lower than 2015 HMDA aggregate lending levels. This represented adequate performance. The percentage of loans made in the low-income census tracts was lower than the percentage of owner-occupied units in those geographies. The bank's lending in the moderate-income census tracts exceeded 2015 HMDA aggregate lending levels. This represented excellent performance. The percentage of loans made in the moderate-income census tracts exceeded the percentage of owner-occupied units in those tracts. The bank's performance in 2012 through 2013 was weaker than the performance noted in 2014 through 2015, and was very poor. The bank's lending in both the LMI census tracts was significantly lower 2013 HMDA aggregate lending levels. This represented very poor performance. The percentage of loans made in both the LMI census tracts was significantly lower the percentage of owner-occupied units in those geographies.

The overall geographic distribution of home refinance loans is very poor. The bank's geographic distribution of home refinance loans during the 2012 through 2013 lending period was very poor. The volume of home refinance loans during 2014 through 2015 was insufficient to provide a meaningful analysis. The bank's lending in both the LMI census tracts was significantly lower 2013 HMDA aggregate lending levels. This represented very poor performance. The percentage of loans made in both the LMI census tracts was significantly lower the percentage of owner-occupied units in those geographies.

**Houston-Woodlands-Sugar Land MSA AA**

Overall, the geographic distribution of home mortgage loans is poor.

In evaluating the geographic distribution of home loans in the Houston-Woodlands-Sugar Land MSA AA, it is important to note that according to the 2010 U.S. Census data, of the 786 census tracts in the Houston-Woodlands-Sugar Land MSA AA, 121 are low-income (15.39 percent of total census tracts) and 251 (31.93 percent of total census tracts) are moderate-income. Only 5.75 percent of the owner-occupied housing units in the AA are in the low-income tracts or 45,582 housing units. Of the total housing units in the low-income geographies, occupied rental and vacant units account for a total of 79.04 percent or 171,949 housing units. Owner-occupied housing in the moderate-income census tracts represents 25.81 percent of the AA's total or 204,776 units. The rental and vacant units in the moderate-income geographies account for 56.32 percent (264,128) of the total housing units. Based on these statistics and the significant competition from very large institutions with significant mortgage lending operations in the AA, the bank had limited opportunities for residential lending in the low-income geographies. As previously noted, MOB does not conduct outreach to potential borrowers for mortgage loans.

The overall geographic distribution of home purchase loans is adequate. The bank's geographic distribution of home purchase loans during the 2012 through 2013 lending period was very poor. The bank's geographic distribution of home purchase loans during 2014 through 2015 was excellent. The bank's lending in both the LMI census tracts exceeded 2015 HMDA aggregate lending levels. This represented excellent performance. The percentage of loans made in both the LMI census tracts exceeded the percentage of owner-occupied units in those geographies. The bank's performance in 2012 through 2013 was weaker than the performance noted in 2014 through 2015, and was very poor. The bank's lending in both the LMI census tracts was significantly lower 2013 HMDA aggregate lending levels. This represented very poor performance. The percentage of loans made in both the LMI census tracts was significantly lower the percentage of owner-occupied units in those geographies.

The overall geographic distribution of home refinance loans is very poor. The bank's geographic distribution of home refinance loans during the 2012 through 2013 lending period was very poor. The volume of home refinance loans during 2014 through 2015 was insufficient to provide a meaningful analysis. The bank's lending in both the LMI census tracts was significantly lower 2013 HMDA aggregate lending levels. This represented very poor performance. The percentage of loans made in both the LMI census tracts was significantly lower the percentage of owner-occupied units in those geographies.

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

Overall, the geographic distribution of small loans to businesses is good.

Refer to Table 6 in the state of Texas section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

### **Dallas-Plano-Irving MD AA**

The overall geographic distribution of small loans to businesses is good.

The bank's geographic distribution of small loans to businesses during 2014 through 2015 was good. MOB's lending in the low-income census tracts was significantly lower the 2015 aggregate lending level. The percentage of loans made in the low-income census tracts was significantly lower the percentage of businesses in those geographies. This represented very poor performance. The bank's

lending in the moderate-income census tracts exceeded the 2015 aggregate lending level. The percentage of loans made in the moderate-income census tracts exceeded the percentage of businesses in those geographies, and is considered excellent.

The bank's geographic distribution of small loans to businesses during the 2012 through 2013 lending period was good. MOB's lending in the low-income census tracts was significantly lower the 2013 aggregate lending level. The percentage of loans made in the low-income census tracts was significantly lower the percentage of businesses in those geographies. This represented very poor performance. The bank's lending in the moderate-income census tracts exceeded the 2013 aggregate lending level. The percentage of loans made in the moderate-income census tracts exceeded the percentage of businesses in those geographies, and is considered excellent.

#### Houston-Woodlands-Sugar Land MSA AA

The overall geographic distribution of small loans to businesses is good.

The bank's geographic distribution of small loans to businesses during 2014 through 2015 was good. MOB's lending in the low-income census tracts exceeded the 2015 aggregate lending level. The percentage of loans made in the low-income census tracts exceeded the percentage of businesses in those geographies. This represented excellent performance. The bank's lending in the moderate-income census tracts was well lower the 2015 aggregate lending level. The percentage of loans made in the moderate-income census tracts was lower than the percentage of businesses in those geographies, and is considered poor.

The bank's geographic distribution of small loans to businesses during the 2012 through 2013 lending period was good. MOB's lending in the low-income census tracts exceeded the 2013 aggregate lending level. The percentage of loans made in the low-income census tracts exceeded the percentage of businesses in those geographies. This represented excellent performance. The bank's lending in the moderate-income census tracts was significantly lower the 2013 aggregate level. The percentage of loans made in the moderate-income census tracts was significantly lower the percentage of businesses in those geographies. This is considered very poor.

#### ***Lending Gap Analysis***

We reviewed summary reports and maps and analyzed MOB's home mortgage and small business lending activity over the evaluation period to identify any gaps in the geographic distribution of loans. We did not identify any unexplained conspicuous gaps.

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

Overall, the distribution of lending by income level of the borrower is poor. Good performance was evidenced in small loans to businesses. This was offset by poor performance in home mortgage loans. With the greater emphasis placed on home mortgage loans, small loans to businesses did not have a significant impact on the overall borrower distribution conclusion. As previously noted, we placed equal weight on the bank's performance in 2012 through 2013 and 2014 through 2015.

### *Home Mortgage Loans*

The overall borrower distribution of home mortgage loans is poor. In performing our analysis, we considered the level of families below the poverty level, as well as the general affordability of housing to low- to moderate-income borrowers.

Refer to Tables 8 and 10 in the state of Texas section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

#### Dallas-Plano-Irving MD AA

The overall borrower distribution of home purchase loans is adequate. The borrower distribution of home purchase loans during the 2012 through 2013 lending period was very poor. The borrower distribution of home purchase loans during 2014 through 2015 was excellent. The bank's lending to both LMI borrowers exceeded 2015 HMDA aggregate lending levels. This represented excellent performance. The percentage of loans made to low-income borrowers was near to the percentage of low-income families and is considered good. The percentage of loans made to moderate-income borrowers exceeded the percentage of moderate-income families and is considered excellent. The bank's performance in 2012 through 2013 was weaker than the performance noted in 2014 through 2015, and was very poor. The bank's lending to both LMI borrowers was significantly lower than 2013 HMDA aggregate lending levels. This represented very poor performance. The percentage of loans made to both LMI borrowers was significantly lower the percentage of LMI families, respectively, and is considered very poor.

The overall borrower distribution of home refinance loans is very poor. MOB's borrower distribution of home refinance loans during the 2012 through 2013 lending period was very poor. The volume of home refinance loans during 2014 through 2015 was insufficient to provide a meaningful analysis. The bank's lending to both LMI borrowers was very poor and significantly lower 2013 HMDA aggregate lending levels. The percentage of loans to both LMI borrowers was significantly lower the percentage of low- and moderate-income families, respectively, and is considered very poor.

#### Houston-Woodlands-Sugar Land MSA AA

The overall borrower distribution of home purchase loans is adequate. The bank's borrower distribution of home purchase loans during the 2012 through 2013 lending period was very poor. The bank's borrower distribution of home purchase loans during 2014 through 2015 was excellent. The bank's lending to both LMI borrowers exceeded 2015 HMDA aggregate lending levels. This represented excellent performance. The percentage of loans made to low-income borrowers was well lower the percentage of low-income families and is considered poor. The percentage of loans made to moderate-income borrowers exceeded the percentage of moderate-income families and is considered excellent. The bank's performance in 2012 through 2013 was weaker than the performance noted in 2014 through 2015, and was very poor. The bank's lending to both LMI borrowers was significantly lower 2013 HMDA aggregate lending levels. This represented very poor performance. The percentage of loans made to both LMI borrowers was significantly lower the percentage of LMI families, respectively, and is considered very poor.

The overall borrower distribution of home refinance loans is very poor. MOB's borrower distribution of home refinance loans during the 2012 through 2013 lending period was very poor. The volume of home refinance loans during 2014 through 2015 was insufficient to provide a meaningful analysis. The bank's lending to both LMI borrowers was very poor and significantly lower 2013 HMDA aggregate lending

levels. The percentage of loans to both LMI borrowers was significantly lower the percentage of low- and moderate-income families, respectively, and is considered very poor

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

The borrower distribution of small loans to businesses is good.

Refer to Table 11 in the state of Texas section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

#### Dallas-Plano-Irving MD AA

The overall distribution of small loans to businesses is good. The borrower distribution of small loans to businesses during 2014 through 2015 was good. Bank performance was also good during the 2012 through 2013 evaluation period. MOB's lending to small businesses (businesses with gross annual revenue of \$1 million or less) exceeded the 2013 aggregate lending levels and is considered excellent performance. The percentage of loans to small businesses was lower the percentage of small businesses and reflected adequate performance. MOB's lending to small businesses (businesses with gross annual revenue of \$1 million or less) exceeded the 2015 aggregate lending levels and is considered excellent performance. The percentage of loans to small businesses was lower the percentage of small businesses and reflected poor performance.

#### Houston-Woodlands-Sugar Land MSA AA

The overall distribution of small loans to businesses is good. The borrower distribution of small loans to businesses during 2014 through 2015 was adequate. The borrower distribution of small loans to businesses was good during the 2012 through 2013 evaluation period. MOB's lending to small businesses (businesses with gross annual revenue of \$1 million or less) exceeded the 2013 aggregate lending levels and is considered excellent performance. The percentage of loans to small businesses was lower the percentage of small businesses and reflected adequate performance. MOB's lending to small businesses (businesses with gross annual revenue of \$1 million or less) was lower the 2015 aggregate lending levels and is considered adequate performance. The percentage of loans to small businesses was well lower the percentage of small businesses and reflected poor performance.

### **Community Development Lending**

Refer to Table 1 Lending Volume in the state of Texas section of appendix D for the facts and data used to evaluate the bank's level of community development lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multifamily loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

MOB's level of CD lending had a significant positive impact on its overall lending performance in Texas.

#### Dallas-Plano-Irving MD AA

CD lending had a significant positive impact on lending performance in the Dallas-Plano-Irving MD AA, when considering the impact of responsiveness and initiatives. During the evaluation period, MOB originated eight CD loans totaling \$28.3 million, or 393.0 percent of Tier One Capital allocated to the AA. These loans represented excellent responsiveness to identified needs in the area.

All of the CD loans finance affordable housing for LMI individuals and families. MOB is working within the guidelines of the 2013-2017 City of Dallas-Plano-Irving MD Consolidated Plan that prioritizes the lack of and aging status of affordable housing. To this end, MOB partners with entities such as the Texas Department of Housing and Community Affairs, Hope Housing Foundation, Dallas-Plano-Irving MD Housing Authority, U.S. Department of Housing and Urban Development, and other organizations to construct or revitalize affordable housing projects. By making use of LIHTC and mezzanine debt in certain loans, the bank is helping to increase and improve the supply of affordable housing for LMI tenants and homebuyers.

Transit Oriented Development (TOD) is a growing trend and priority for the City of Dallas-Plano-Irving MD AA as it seeks to promote high quality TOD on and near transit system facilities by generating livable communities that rely more on light rail accessibility than automobiles. In its smallest CD loan, the bank extended \$750 thousand to a developer to construct seven of ten spec homes in a moderate-income CT located in a TOD area of Dallas-Plano-Irving MD AA. The residences will be purchased by LMI borrowers with down payment assistance.

#### Houston-Woodlands-Sugar Land MSA AA

CD lending had a significant positive impact on lending performance in the Houston-Woodlands-Sugar Land MSA AA, when considering the impact of responsiveness. During the evaluation period, MOB originated two CD loans totaling \$6.9 million, or 142.6 percent of Tier One Capital allocated to the AA. These loans represent excellent responsiveness to identified needs in the area.

Both loans finance affordable housing for LMI individuals and families. One of the two CD loans is a \$2.5 million renewal of an acquisition loan on a 243-unit apartment complex in a low-income census tract in Houston-Woodlands-Sugar Land MSA AA. The other loan is for \$4.4 million used to finance the acquisition and rehabilitation of a 142-unit apartment complex in a moderate-income geography in Houston-Woodlands-Sugar Land MSA AA.

### **Community Development Loans – TX Statewide**

In addition to the CD loans that benefit the bank's AAs, MOB originated CD loans in the broader statewide area that includes the bank's AAs. MOB originated two CD loans totaling \$19.5 million during the evaluation period in the broader statewide area that had a P/M/F to potentially benefit one or more of the bank's AAs in the state. Both loans were to private equity funds that invest in middle-market Texas companies located in LMI geographies in the state. These investments allow these companies to retain and create permanent jobs through growth and expansion. Three of the targeted companies are located in the bank's AAs.

In addition, the bank made four CD loans totaling \$25.1 million in the broader statewide area that did not have a P/M/F to potentially benefit any of the AAs in the state. Three of the loans promote economic development. They include a renewal of a \$2.5 million SBA 504 loan and a \$3.25 million revolving line of credit (RLOC) for the working capital needs of a manufacturing company that provides permanent jobs in a low-income census tract. The bank renewed the RLOC twice during the evaluation period. The fourth loan is a renewal of a \$16.1 million acquisition and construction loan on a multifamily rental property serving LMI individuals.

## **Product Innovation and Flexibility**

MOB offers flexible loan programs such as Community First Home Loan Product, Federal Housing Administration (FHA), and Veteran’s Administration (VA) loan products. The Community First Home Loan Product offers alternative financing to first-time homebuyers and individual with limited credit history. The program also offers up to 100 percent financing and does not require the borrower to purchase private mortgage insurance. The FHA program provides home financing for people with smaller down payments and lower credit scores. The VA program offers low government rates for VA eligible personnel. These lending programs generated 65 loans totaling \$6.9 million in the Dallas-Plano-Irving MD AA and the Houston-Woodlands-Sugar Land MSA AA.

Refer to the Other Factors – Lending Test section of the Public Evaluation for additional information on MOB’s lending programs.

## **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank’s performance under the lending test in the Fort Worth-Arlington MD AA is consistent with the bank’s overall “Low Satisfactory” performance under the lending test in Texas.

Refer to the Tables 1 through 13 in the state of Texas section of appendix D for the facts and data that support these conclusions.

## **INVESTMENT TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank’s performance under the investment test in Texas is rated “Outstanding”. Based on full-scope reviews, the bank’s performances in the Dallas-Plano-Irving MD AA and the Houston-Woodlands-Sugar Land MSA AA are excellent and enhanced by statewide investments.

Refer to Table 14 in the state of Texas section of appendix D for the facts and data used to evaluate the bank’s level of qualified investments.

#### Dallas-Plano-Irving MD AA

During the evaluation period, MOB made 26 investments in the AA totaling \$7.0 million. A prior period investment with a book value of \$494 thousand continues to benefit the AA by providing affordable housing for LMI individuals and families. Current period investments consist of three debt investments totaling \$6.8 million and 23 grants and donations amounting to \$108 thousand. This is an excellent level of investments and represents 103.5 percent of Tier One Capital allocated to the Dallas-Plano-Irving MD AA. The bank’s responsiveness to CD needs in the AA is excellent.

The three current period investments consist of two FNMA MBS pools of single family loans to LMI borrowers (\$3.9 million) and a FNMA DUS Bond (\$2.9 million). The latter investment finances a 288-unit apartment complex located in a low-income census tract that is contiguous to LMI tracts. The tenants are predominately LMI individuals and families. All three of these debt investments address affordable housing needs in the Dallas-Plano-Irving MD AA.

During the evaluation period, the bank made 23 separate donations and grants totaling \$108 thousand to 11 CD organizations that exist to meet the needs of the AA in the areas of community services, economic development, affordable housing and revitalization. These organizations work to benefit low- and moderate- income families, individuals, students and job-seekers; small business owners; and LMI geographies. MOB donates to organizations with which it has built a relationship. Two such examples are:

- MOB donated \$15,000 to a community service organization. The entity's goal is to enable low income individuals and families to move from poverty to self-sufficiency by providing programs that target education, employment, health, housing, advocacy, economic development and supportive services including case management coupled with financial assistance to those residing in Dallas County. One of the bank's senior officers has served as a board member, board secretary, and most recently as Chairman of this organization.
- MOB donated \$6,000 to a community development corporation that revitalizes LMI neighborhoods in southern Dallas. As discussed in the CD Lending section above, MOB extended a \$750 thousand loan to the entity to construct affordable housing for LMI residents in a TOD area of Dallas. In addition, bank staff teaches financial literacy to LMI women living in the organization's apartments, an affordable housing development specifically targeted to homeless women with and without children.

#### Houston-Woodlands-Sugar Land MSA AA

During the evaluation period, MOB made ten investments in the AA totaling \$2.1million. This includes \$843 thousand representing a prior period investment that continues to benefit the AA by providing affordable housing for LMI individuals and families. Current period investments consisted of two investments totaling \$1.2 million and seven grants and donations amounting to \$22 thousand. This is an excellent level of investments and represents 42.3 percent of tier one capital allocated to the Houston-Woodlands-Sugar Land MSA AA. The bank's responsiveness to CD needs in the AA is excellent.

The two current period investments consist of a \$944 thousand GNMA MBS pool of single family loans to LMI borrowers and a \$250 thousand equity equivalent investment product in a non-profit with the proceeds to be used in Harris County. The entity is a San Antonio based non-profit CDFI that operates in several mid-southern states. It is an incubator, adviser and lender to small businesses and microenterprises that typically do not have access to bank financing. A bank officer serves as an advisory board member to the Houston LiftFund operation.

During the evaluation period, the bank made seven separate donations and grants totaling \$22 thousand to six CD organizations that exist to meet the needs of the AA in the areas of community services, affordable housing and revitalization. Most notable are two grants totaling \$13 thousand to a community service organization fund its Personal Finance Classes program. This program instructs low-income women and girls in financial literacy to help them make choices toward becoming independent, productive and financially stable. Bank employees were among the instructors of these financial education classes.

## **Investments - TX Statewide**

MOB originated one investment totaling \$2.0 million in the broader statewide area that had a P/M/F to potentially benefit one or more of the bank's AAs in the state. An unfunded commitment of \$34.0 thousand on this investment remains. Two similar prior period investments totaling \$1.0 million continue their stated benefit. An unfunded commitment of \$318 thousand remains for one of the prior period investment. The current period investment and the two prior period investments are in private equity funds that invest in middle-market Texas companies in LMI geographies in the state. These investments allow these companies to retain and create permanent jobs through growth and expansion.

### **Conclusions for Area Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the investment test in the Fort Worth-Arlington MD is consistent with the bank's overall "Outstanding" performance under the investment test in Texas.

Refer to the Table 14 in the state of Texas section of appendix D for the facts and data that support these conclusions.

## **SERVICE TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the service test in Texas is rated "Needs to Improve". Based on full-scope reviews, the bank's performance in the Dallas-Plano-Irving MD AA and the Houston-Woodlands-Sugar Land MSA is poor.

### **Retail Banking Services**

Refer to Table 15 in the state of Texas section of appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

#### Dallas-Plano-Irving MD AA

MOB's branch distribution in the AA is poor. Branches are accessible to limited portions of geographies and individuals of different income levels in the AA. Of the two branches in the AA, one is located in a middle-income census tract and the other in an upper-income tract. However, the branch located in the middle-income census tract is near-to a moderate-income geography. . Branch distribution in low-income geographies was very poor and inaccessible to significant portions of geographies and individuals of different income levels in the AA. Approximately 18.1 percent of the AA's population resides in the low-income census tracts.

Branch openings and closings generally did not adversely affect accessibility of the bank's delivery systems to LMI geographies and individuals. During the evaluation period, the bank did not open or close any branches in the AA.

Branch hours and services do not vary in a way that inconveniences portions of the AA, particularly LMI individuals or geographies. Services offered and banking hours are comparable among locations

regardless of the income level of the geography. The middle-income near-to branch has a drive-through facility that is open Saturday mornings.

Management complements its traditional service delivery methods with certain alternative delivery processes, including online banking, mobile banking, ATMs, and telephone banking. These delivery methods provide increased access to banking services throughout all areas in the AA. With the exception of the ATMs, we placed no significant weight on these alternative delivery systems as the bank did not maintain metrics to determine their effectiveness in helping to meet the credit needs of LMI individuals.

MOB has two full-service branded ATMs in the AA that are located at the two branch offices. The bank is also partnered with *MoneyPass*, a network that offers 22,000 ATMs across the U.S. Use of these ATMs is surcharge-free to all MOB depositors. *MoneyPass* has an iPhone and Android ATM locator app for customer convenience. Among the 19 *MoneyPass* deposit-taking ATMs in the AA, five are located in low-income census tracts and one is in a moderate-income geography. This delivery method provides increased access to banking services to customers residing or working in these LMI census tracts.

#### Houston-Woodlands-Sugar Land MSA AA

MOB's branch distribution in the AA is poor. Branches are accessible to limited portions of geographies and individuals of different income levels in the AA. Both of the branches in the AA are located in upper-income census tracts. However, the Medical Center branch is near-to a low-income geography. Branch distribution in moderate-income geographies was very poor and inaccessible to significant portions of geographies and individuals of different income levels in the AA. Approximately 31.04 percent of the AA's population resides in moderate-income census tracts.

Branch openings and closings generally did not adversely affect accessibility of the bank's delivery systems to LMI geographies and individuals. During the evaluation period, the bank did not open or close any branches in the AA.

Branch hours and services vary in a way that inconveniences portions of the AA, particularly LMI individuals or geographies. Services offered and banking hours are comparable for both the upper-income branch locations. Neither branch has a drive-through facility or maintains Saturday hours.

Management complements its traditional service delivery methods with certain alternative delivery processes, including online banking, mobile banking, ATMs, and telephone banking. These delivery methods provide increased access to banking services throughout all areas in the AA. With the exception of the ATMs, we placed no significant weight on these alternative delivery systems as the bank did not maintain metrics to determine their effectiveness in helping to meet the credit needs of LMI individuals.

MOB has one full-service branded ATM in the AA that is located at the Medical Center branch. The bank is also partnered with *MoneyPass*, a network that offers 22,000 ATMs across the U.S. Use of these ATMs is surcharge-free to all MOB depositors. *MoneyPass* has an iPhone and Android ATM locator app for customer convenience. Among the 18 *MoneyPass* deposit-taking ATMs in the AA, one is in a low-income census tract and two are in moderate-income geographies. This delivery method provides increased access to banking services to customers residing or working in these LMI census tracts.

## **Community Development Services**

The bank's performance in providing CD services was adequate. In the Dallas-Plano-Irving MD AA, performance was good and in the Houston-Woodlands-Sugar Land MSA AA performance was adequate. Services focused on financial literacy and affordable housing services targeted to LMI individuals.

### Dallas-Plano-Irving MD AA

MOB's performance in providing CD services is good. In the Dallas-Plano-Irving MD AA, 22 employees provided their expertise to 12 CD organizations for a total of 411 hours. Of those 22 employees, three served either as directors and/or committee members of CD organizations. Almost 25 percent of service hours were spent in leadership positions. The services in which the other employees are involved are predominately financial literacy instruction and, in a few instances, fundraising. Organizations benefiting from the bank's CD services were involved in community services targeted to LMI students, adults and families.

The following are examples of some of the CD services provided in the Dallas-Plano-Irving MD:

- One of the bank's senior officers has served as a board member, board secretary, and most recently as Chairman of the Urban League.
- Another bank officer serves on the board of a local school district's educational foundation and is also involved in fundraising to help the organization provide grants for teachers, schools and student scholarships. Over 50 percent of the students in the school district participate in the U.S. Department of Agriculture's National School Lunch Program.
- Bank employees provide financial literacy instruction through five different programs to LMI students, parents, and women.

### Houston-Woodlands-Sugar Land MSA AA

MOB's performance in providing CD services is adequate. In the Houston-Woodlands-Sugar Land MSA AA, six employees provided their expertise to four CD organizations for a total of 39 hours. Of those six employees, one served as an advisory board member to LiftFund's Houston operation. The remaining five employees, with the exception of two instances of homebuyer counseling through the Houston-Woodlands-Sugar Land MSA Urban League, provided financial literacy instruction through two different programs to LMI women and girls as well as LMI adults and youth.

## **Conclusions for Areas Receiving Limited-Scope Reviews**

In the Fort Worth-Arlington MD AA, the bank's performance is consistent with the bank's overall performance in the state of Texas. The weaker performance was due to branch distribution. Performance in the limited-scope area did not have a significant impact on the service test rating in the state.

Refer to Table 15 in the state of Texas section of appendix D for the facts and data that support these conclusions.

## Appendix A: Scope of Examination

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

<p><b>Time Period Reviewed</b></p>	<p><b>Lending Test (excludes CD loans):</b>                      01/01/2012 to 12/31/2015: Phoenix-Mesa-Scottsdale AZ MSA, Tucson AZ MSA, San Diego-Carlsbad-San Marcos CA MSA, Denver-Aurora-Lakewood CO MSA, Naples-Immokalee-Marco Island FL MSA, Tampa-St. Petersburg-Clearwater FL MSA, Urban Honolulu HI MSA, Kansas City MO-IS MMSA, Omaha-Council Bluffs NE IA MMSA; Lincoln NE MSA, Las Vegas-Henderson-Paradise NV MSA, Reno NV MSA, Carson City NV MSA, Dallas-Plano-Irving TX MD, Houston-The Woodlands-Sugar Land TX MSA.</p> <p>01/01/2012 to 09/19/2014: Lake Havasu City-Kingman AZ MSA                      01/01/2012 to 10/24/2014: Boulder CO MSA                      01/01/2012 to 08/21/2015: Cape Coral-Fort Myers FL MSA                      01/01/2012 to 02/27/2015: Riverside-San Bernardino-Ontario CA MSA                      08/15/2013 to 12/31/2015: Fort Worth-Arlington MD</p> <p><b>Investment and Service Tests and CD Loans:</b>                      10/30/2012 – 12/31/2016: Phoenix-Mesa-Scottsdale AZ MSA, Tucson AZ MSA, San Diego-Carlsbad-San Marcos CA MSA, Denver-Aurora-Lakewood CO MSA, Naples-Immokalee-Marco Island FL MSA, Tampa-St. Petersburg-Clearwater FL MSA, Urban Honolulu HI MSA, Kansas City MO-IS MMSA, Omaha-Council Bluffs NE IA MMSA; Lincoln NE MSA, Las Vegas-Henderson-Paradise NV MSA, Reno NV MSA, Carson City NV MSA, Dallas-Plano-Irving TX MD, Houston-The Woodlands-Sugar Land TX MSA.</p> <p>10/30/2012 to 09/19/2014: Lake Havasu City-Kingman AZ MSA                      10/30/2012 to 10/24/2014: Boulder CO MSA                      01/01/2012 to 08/21/2015: Cape Coral-Fort Myers FL MSA                      01/01/2012 to 02/27/2015: Riverside-San Bernardino-Ontario CA MSA                      08/15/2013 to 12/31/2016: Fort Worth-Arlington MD</p>	
<p><b>Financial Institution</b></p>	<p><b>Products Reviewed</b></p>	
<p>Mutual of Omaha Bank (MOB) Omaha, Nebraska</p>	<p>Home Purchase, Home Improvement, Home Refinance, Small Business, Community Development loans, Qualified Investments and Services.</p>	
<p><b>Affiliate(s)</b></p>	<p><b>Affiliate Relationship</b></p>	<p><b>Products Reviewed</b></p>
<p>Mutual of Omaha Foundation</p>	<p>Affiliate</p>	<p>Community development investments</p>

<b>List of AAs and Type of Examination</b>		
<b>AA</b>	<b>Type of Exam</b>	<b>Other Information</b>
<b>Arizona:</b> Phoenix-Mesa-Glendale AZ MSA Tucson AZ MSA Lake Havasu City-Kingman AZ MSA	Full Scope Limited Scope Limited Scope	Maricopa County, AZ Pima County, AZ Mohave County, AZ
<b>California:</b> San Diego-Carlsbad-San Marcos CA MSA Riverside-San Bernardino-Ontario CA MSA	Full Scope Limited Scope	San Diego County, CA San Bernardino County, CA
<b>Colorado:</b> Denver-Aurora-Lakewood MSA (2012-2013) Denver-Aurora-Lakewood MSA (2014) Denver-Aurora-Lakewood MSA (2015-2016) Boulder MSA	Full Scope Full Scope Full Scope Limited Scope	Clear Creek, Denver, Douglas, Jefferson Counties, CO Arapahoe, Clear Creek, Denver, Douglas, Jefferson Counties, CO Arapahoe, Denver, Douglas Counties, CO Boulder County, CO
<b>Florida:</b> Naples-Immokalee-Marco Island FL MSA Tampa-St. Pete-Clearwater FL MSA Cape Coral-Fort Myers FL MSA	Full Scope Limited Scope Limited Scope	Collier County, FL Hillsborough County, FL Lee County, FL
<b>Hawaii:</b> Urban Honolulu HI MSA	Full Scope	Honolulu County, HI
<b>Multistate Metropolitan Area:</b> Kansas City KS-MO MMSA	Full Scope	Johnson & Wyandotte Counties, KS & Jackson County, MO
<b>Nebraska:</b> Omaha-Council Bluffs, NE-IA MMSA (Nebraska Only) Lincoln MSA	Full Scope Limited Scope	Douglas & Sarpy Counties, NE Lancaster County, NE
<b>Nevada:</b> Las Vegas-Henderson-Paradise NV MSA Reno NV MSA Carson City NV MSA	Full Scope Full Scope Limited Scope	Clark County, NV Washoe County, NV Carson City County, NV
<b>Texas:</b> Dallas-Plano-Irving TX MD Houston-Woodlands-Sugar Land TX MSA Fort Worth-Arlington TX MD	Full Scope Full Scope Limited Scope	Dallas County, TX Harris County, TX Tarrant County, TX

## Appendix B: Summary of Multistate Metropolitan Area and State Ratings

RATINGS		MUTUAL OF OMAHA BANK		
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State/Multistate Rating
Mutual of Omaha Bank	High Satisfactory	Outstanding	Low Satisfactory	Satisfactory
Multistate Metropolitan Area or State:				
Kansas City MO – KS MMSA	HighSatisfactory	Outstanding	Needs to Improve	Satisfactory
Arizona	High Satisfactory	Outstanding	High Satisfactory	Satisfactory
California	Low Satisfactory	Outstanding	Needs to Improve	Satisfactory
Colorado	High Satisfactory	Outstanding	Low Satisfactory	Satisfactory
Florida	High Satisfactory	Outstanding	Low Satisfactory	Satisfactory
Hawaii	Low Satisfactory	Outstanding	Needs to Improve	Satisfactory
Nebraska	High Satisfactory	High Satisfactory	High Satisfactory	Satisfactory
Nevada	High Satisfactory	Outstanding	Low Satisfactory	Satisfactory
Texas	Low Satisfactory	Outstanding	Needs to Improve	Satisfactory

(\*) The lending test is weighted more heavily than the investment and service tests in the overall rating.

## Appendix C: Market Profiles for Full-Scope Areas

### Kansas City MO-KS MMSA

Demographic Information for Full Scope Area: Kansas City MO-KS MMSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	399	16.54	23.56	27.57	28.57	3.76
Population by Geography	1,375,842	11.45	22.57	30.96	35.00	0.02
Owner-Occupied Housing by Geography	358,651	7.47	19.27	33.05	40.22	0.00
Business by Geography	121,168	8.90	18.04	28.31	42.84	1.92
Farms by Geography	2,751	4.58	15.63	34.02	45.29	0.47
Family Distribution by Income Level	346,736	21.54	17.06	20.52	40.88	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	133,837	21.01	33.86	29.44	15.69	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2013 Households Below Poverty Level		69,313 71,200 12%	Median Housing Value Unemployment Rate (2010 US Census)	163,478 3.97%		

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2010 U.S. Census, and 2013 FFIEC updated MFI

Demographic Information for Full Scope Area: Kansas City MO-KS MMSA - 2014 OMB Impact						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	399	16.29	23.81	27.32	28.82	3.76
Population by Geography	1,375,842	11.19	22.83	30.63	35.34	0.02
Owner-Occupied Housing by Geography	358,651	7.28	19.45	32.67	40.60	0.00
Business by Geography	101,719	8.53	18.25	27.93	43.20	2.08
Farms by Geography	2,400	4.71	16.02	33.61	45.20	0.45
Family Distribution by Income Level	346,736	21.36	16.94	20.46	41.24	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	132,798	20.73	34.29	29.18	15.81	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2015 Households Below Poverty Level		68,846 74,700 12%	Median Housing Value Unemployment Rate (2010 US Census)	163,478 3.97%		

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2010 U.S. Census, and 2015 FFIEC updated MFI

The Kansas City MO-KS MMSA AA includes Jackson County in Missouri and Johnson and Wyandotte Counties in Kansas. The Kansas City MO-KS MMSA includes fourteen counties, nine in Missouri (Bates, Caldwell, Cass, Clay, Clinton, Jackson, Lafayette, Platte, and Ray) and five in Kansas (Johnson, Leavenworth, Linn, Miami and Wyandotte). However, MOB limited their AA to the three counties they were reasonably able to serve. MOB currently has one branch in the Greater Kansas City AA, which is located in an upper-income census tract. MOB moved the branch location October 2016 from Kansas City, Missouri to Leawood, Kansas; the previous branch was also located in an upper-income census

tract. The population of the Greater Kansas City AA totals 1.4 million according 2010 U.S. Census data.

The Office of Management and Budget (OMB) made geographical boundary revisions effective January 1, 2014 to the Kansas City MO-KS MMSA. The total number of census tracts remained the same, but the underlying distribution of census tracts changed. From 2013 to 2014, the number of low-income census tracts decreased by one, while the number of moderate-income census tracts increased by one. In addition, the number of middle-income census tracts decreased by one, while the number of upper-income census tracts increased by one. The OMB changes did not result in any changes to counties within the MMSA.

According to the U.S. Census data, the AA consists of 399 census tracts, of which 65 are low-income, 95 are moderate-income, 109 are middle-income, 115 are upper-income, and 15 are unclassified. Prior to the 2014 OMB changes, there were 399 census tracts, of which 66 were low-income, 94 were moderate-income, 110 were middle-income, 114 were upper-income, and 15 were unclassified. The AA meets the requirements of the CRA regulation and does not arbitrarily exclude LMI geographies.

The FFIEC Adjusted MFI for 2013 was \$69,313. The FFIEC Adjusted MFI for 2015 decreased six percent to \$68,846. According to the 2010 U.S. Census data, 40.1 percent of census tracts were low- or moderate-income in 2013 and in 2015. The population residing in LMI census tracts was 34.0 percent, and did not change substantially from 2013 and 2015. As reported in the 2010 U.S. Census data, 8.93 percent of families in the AA were below the poverty level.

Strong competition exists within the bank's AA. The June 30, 2016 FDIC Deposit Market Share Report shows there are 88 institutions with branch operations in the AA. MOB ranks 64<sup>th</sup> in the market with 0.09 percent deposit market share. The primary competitors in the market include UMB, Commerce Bank, and Bank of America, which account for 23.1 percent, 14.2 percent, and 10.9 percent of the market share, respectively. MOB has deposits of \$37 million and one branch serving the AA.

### Employment and Economic Factors

The economic condition of the AA has improved over the evaluation period. According to the U.S. Bureau of Labor Statistics (<http://beta.bls.gov>), unemployment rates for the AA improved in all three counties from October 2012 to November 2016. For Jackson County, MO, the rate improved from 7.3 percent to 4.4 percent. For Johnson and Wyandotte Counties, the rate improved from 4.3 percent and 7.9 percent to 3.1 percent and 5.1 percent, respectively. According to City-Data (<http://city-data.com>), leading industries include agribusiness, intermodal transportation, warehousing, manufacturing, and distribution. Major employers include the local and state governments, Sprint, Ford Motor Company, Hallmark Cards, Harmon Industries, and American Italian Pasta.

### Housing

There are limited opportunities for home mortgage lending in this AA's LMI geographies. The number of housing units is much lower in LMI geographies than middle- and upper-income geographies. According to the 2010 U.S. Census, 7.3 percent of owner-occupied units were located in low-income geographies and 19.5 percent in moderate income geographies. Of the total housing units in low-income geographies, 45.3 were occupied rental units and 21.5 percent were vacant units. In moderate-income geographies, 39.2 percent were occupied rental units and 14.0 percent were vacant.

According to the 2010 U.S. Census, the median housing value for the AA was \$163,478. Median home prices may impact home ownership capacity especially for low-income individuals given the relatively high median price compared with the high-end for low-income of \$37,350. These income levels and the level of families living below poverty, 8.9 percent, impact the number of low-income individuals and families that can afford owner-occupied housing in this AA.

According to the 2010 U.S. Census, the median age of housing stock is higher in low- or moderate-income than middle- and upper-income geographies, contributing to the lower median housing values in LMI geographies. Older housing may have lower purchase prices, but often has higher maintenance costs. Per the 2010 U.S. Census, the median age of housing for LMI geographies was 59 years and 50 years, respectively. In comparison, the median age of middle- and upper-income geographies was much lower at 37 years and 27 years, respectively. Due to the older age of housing stock in low- or moderate-income geographies, we would expect a higher average maintenance cost, and the higher costs impact home ownership affordability within this AA in LMI geographies.

### Community Contact

We reviewed a community contact outreach conducted in the AA as part of this performance evaluation comprised of a housing symposium attended by several community outreach and community development organizations. The most significant needs cited by the attendees included access to affordable home purchase loans and home repair loans, the need for refinancing or education to borrowers who may be upside down in their mortgage, and a need for a CDFI to operate a loan pool to provide loans for people that do not meet traditional credit standards for both home repair and home purchase loans in the AA.

Contacts also cited a need for financial literacy programs. Organizations believe there is an appeal to the LMI geographies due to affordability and proximity to the central business district.

## State of Arizona

### Phoenix-Mesa-Scottsdale AZ MSA

Demographic Information for Full Scope Area: Phoenix-Mesa-Scottsdale AZ MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	916	9.39	23.91	31.99	33.62	1.09
Population by Geography	3,817,117	8.42	24.46	33.25	33.69	0.18
Owner-Occupied Housing by Geography	916,515	3.61	20.72	35.75	39.90	0.02
Business by Geography	328,755	6.48	15.34	29.60	47.97	0.60
Farms by Geography	6,198	5.65	15.73	32.04	46.14	0.44
Family Distribution by Income Level	913,798	20.93	17.44	20.15	41.48	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	350,618	13.75	36.07	32.18	18.00	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2015 Households Below Poverty Level		64,408 64,000 12%	Median Housing Value Unemployment Rate (2010 US Census)	258,903 3.48%		

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2010 U.S. Census and 2015 FFIEC updated MFI.

The Phoenix-Mesa-Scottsdale AZ MSA AA includes Maricopa County. The Phoenix-Mesa-Scottsdale AZ MSA is comprised of two counties; Maricopa and Pinal. However, MOB limited their AA to the one county they were reasonably able to serve. The AA includes the city of Phoenix, which is the state of Arizona’s most populated city.

According to the U.S. Census data, the AA consists of 916 census tracts, of which 86 are low-income, 219 are moderate-income, 293 are middle-income, 308 are upper-income, and 10 are unclassified. The AA meets regulatory requirements and does not arbitrarily exclude low- or moderate-income areas.

The 2015 updated FFIEC MFI was \$64,000. Approximately 33.3 percent of the census tracts in Maricopa County are designated as low- or moderate-income and 32.9 percent of the population reside in these low- or moderate-income geographies. As reported in the 2010 U.S. Census, 9.9 percent of the families in the AA had income below the poverty level.

Strong competition exists within the bank’s AA. As of June 30, 2016, there are 57 financial institutions with branch operations in the Maricopa County AA. According to the June 30, 2016, FDIC’s Deposit Market Share Report, MOB ranks 18<sup>th</sup> with 0.49 percent deposit market share. MOB has deposits of \$414 million in the Phoenix-Mesa-Scottsdale MSA AA. Additionally, MOB offers one deposit-taking ATM. MOB’s top five competitors, in order of market share rank are, JP Morgan Chase Bank, NA, Wells Fargo Bank, NA, Bank of America, NA, Western Alliance Bank, and Compass Bank.

#### Employment and Economic Factors

The economic condition of the AA has improved over the evaluation period. According to the Bureau of Labor Statistics (<http://beta.bls.gov>), the average unemployment rate in Maricopa County was 4.1 percent in 2016, down from 6.9 percent in 2012. Leading industries include health services, trade and transportation, government, business services, leisure and hospitality, and financial

activity. According to The Phoenix Relocation Guide (<http://phoenixrelocationguide.com>), major employers in the Phoenix area include government entities, Wal-Mart Stores, Inc., Banner Health, Wells Fargo Bank, NA., Bank of America, N.A, and Arizona State University.

### Housing

There are limited opportunities for home mortgage lending in this AA's LMI geographies. The number of housing units is much lower in LMI geographies than middle- and upper-income geographies. According to the 2010 U.S. Census, 3.6 percent of owner-occupied units were located in low-income geographies and 20.7 percent in moderate-income geographies. Of the total housing units in low-income geographies, 54.3 percent were occupied rental units and 18.4 percent were vacant units. In moderate-income geographies, 38.4 percent were occupied rental units and 15.7 percent were vacant.

According to the 2010 U.S. Census, the median housing value for the AA was \$258,903. Median home prices may impact home ownership capacity especially for low-income individuals given the relatively high median price compared with the high-end for low-income of \$32,000. These income levels and the level of families living below poverty, 10.0 percent, impact the number of low-income individuals and families that can afford owner-occupied housing in this AA.

According to the 2010 U.S. Census, the median age of housing stock is higher in low- or moderate-income geographies than middle- and upper-income geographies, contributing to the lower median housing values in LMI geographies. Older housing may have lower purchase prices, but often has higher maintenance costs. Per the 2010 U.S. Census, the median age of housing for LMI geographies was 36 years and 32 years, respectively. In comparison, the median age of middle- and upper-income geographies was much lower at 21 years and 17 years, respectively. Due to the older age of housing stock in low- or moderate-income geographies, we would expect a higher average maintenance cost, and the higher costs impact home ownership affordability in this AA within the low- or moderate-income geographies.

### Community Contact

We reviewed a community contact conducted in the AA as part of this performance evaluation. The organization provides economic opportunities and strives to improve the quality of life for low-income individuals and communities through innovative and affordable financing that is unavailable in the conventional market. The organization offers a wide range of loan products and significantly larger loans, with longer terms, throughout the state.

The contact indicated a need for improvement and that financial institutions should offer more creative products, services and initiatives for LMI individuals and families. The contact also indicated that financial institutions need more innovative products and services to help small businesses.

## State of California

### San Diego-Carlsbad-San Marcos CA MSA

Demographic Information for Full Scope Area: Phoenix-Mesa-Scottsdale AZ MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	628	10.03	21.34	36.15	31.53	0.96
Population by Geography	3,095,313	9.80	21.57	35.24	33.05	0.33
Owner-Occupied Housing by Geography	593,945	3.31	14.32	38.78	43.59	0.00
Business by Geography	263,161	5.79	15.55	35.28	43.27	0.12
Farms by Geography	5,012	3.73	16.20	38.95	41.12	0.00
Family Distribution by Income Level	703,747	22.36	17.55	18.75	41.34	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	280,889	16.43	31.05	33.90	18.62	0.00
Median Family Income		73,560	Median Housing Value	496,417		
FFIEC Adjusted Median Family Income for 2015		73,000	Unemployment Rate	3.78%		
Households Below Poverty Level		11%	(2010 US Census)			

(\*) The NA category consists of geographies that have not been assigned an income classification.

Source: 2010 U.S. Census and 2015 FFIEC updated MFI.

The San Diego-Carlsbad CA MSA AA is comprised of San Diego County. The San Diego-Carlsbad CA MSA is comprised of San Diego County and is located in the southwestern area of California near the border between the United States and Mexico. San Diego is California's second most populated city in the state of California.

The bank has one branch in the San Diego County AA, located in an upper-income census tract. The San Diego –Carlsbad CA MSA AA combined population is approximately 3.1 million as of the 2010 Census. The AA meets regulatory requirements and does not arbitrarily exclude low- or moderate-income areas.

According to the U.S. Census data, the AA consists of 628 census tracts, of which 63 are low-income, 134 are moderate-income, 227 are middle-income, 198 are upper-income, and six are unclassified.

The FFIEC-adjusted MFI for 2015 was \$73,000. Approximately 31.4 percent of the census tracts in San Diego County are designated as low- or moderate-income and 31.4 percent of the population reside in these low- or moderate-income geographies. As reported in the 2010 U.S. Census, 8.6 percent of the families in the AA had income below the poverty level.

Strong competition exists within the bank's AA. As of June 30, 2016, there are 53 financial institutions with branch operations in the San Diego County AA. According to the June 30, 2016 FDIC's Summary of Deposits report, MOB ranks 46<sup>th</sup> with 0.02 percent deposit market share. MOB has deposits of \$18.3 million and one branch serving the San Diego County AA. MOB's top five competitors, in order of market share rank are, Wells Fargo Bank, NA, Bank of America, NA, JPMorgan Chase Bank, NA and MUFG Union Bank, NA.

### Employment and Economic Factors

The economic conditions of the AA has improved over the evaluation period. According to the Bureau of Labor Statistics (<http://beta.bls.gov>), the average unemployment rate in San Diego County was 4.3 percent in 2016, down from 8.7 percent in 2012. Leading industries include defense, tourism and technology. The AA's culture is heavily influenced by its location on the coast of the Pacific Ocean and immediately adjacent to the Mexican border. According to San Diego's Top 10 (<http://sandiegostop10.com>), major employers in the AA include the University of California- San Diego, city and county governments, United States Navy, public school districts, Sharp Health Care, and Scripps Health.

### Housing

There are limited opportunities for home mortgage lending in this AA's LMI geographies. The number of housing units is much lower in LMI geographies than middle- and upper-income geographies. According to the 2010 U.S. Census, 3.3 percent of owner-occupied units were located in low-income geographies and 14.3 percent in moderate-income geographies. Of the total housing units in low-income geographies, 72.20 percent were occupied rental units and 7.6 percent were vacant units. In moderate-income geographies, 54.9 percent were occupied rental units and 8.9 percent were vacant.

According to the 2010 U.S. Census, the median housing value for the AA was \$496,417. Median home prices may impact home ownership capacity especially for LMI individuals given the high median price compared with the high-end for low-income of \$36,500 and \$58,400 for moderate-income. These income levels and the level of families living below poverty, 8.6 percent, impact the number of low-income individuals and families that can afford owner-occupied housing in this AA.

According to the 2010 U.S. Census, the median age of housing stock is higher in low- or moderate-income geographies than middle- and upper-income geographies, contributing to the lower median housing values in LMI geographies. Older housing may have lower purchase prices, but often has higher maintenance costs. Per the 2010 U.S. Census, the median age of housing for LMI geographies was 42 and 38 years, respectively. In comparison, the median age of middle- and upper-income geographies was much lower at 36 and 28 years, respectively. Due to the older age of housing stock in low- or moderate-income geographies, we would expect a higher average maintenance cost, and the higher costs impact home ownership affordability in this AA within the low- or moderate-income geographies.

### Community Contact

We reviewed a community contact to a non-profit organization that provides small business lending for the AA. The contact indicated a need for smaller dollar loans for existing small businesses and start-up loans for new businesses. The contact indicated that loans of \$250 thousand or less are needed for working capital and expansion purposes.

## State of Colorado

### Denver-Aurora-Lakewood CO MSA

<b>Demographic Information for Full Scope Area: Denver-Aurora-Lakewood CO MSA- 2012-2013</b>						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	346	10.69	19.36	30.64	38.44	0.87
Population by Geography	1,429,254	11.16	19.68	29.58	39.50	0.08
Owner-Occupied Housing by Geography	374,516	6.34	16.10	31.26	46.29	0.00
Business by Geography	201,407	7.56	16.34	28.34	47.29	0.47
Farms by Geography	3,325	6.08	16.03	27.13	50.65	0.12
Family Distribution by Income Level	345,965	20.72	15.93	19.28	44.07	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	126,807	19.68	30.24	28.92	21.16	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2013 Households Below Poverty Level		75,101 77,800 11%	Median Housing Value Unemployment Rate (2010 US Census)	290,061 3.71%		

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2010 U.S. Census and 2013 FFIEC updated MFI.

For 2012 - 2013, the Denver-Aurora-Lakewood CO MSA AA was comprised of Denver, Clear Creek, Douglas and Jefferson counties.

<b>Demographic Information for Full Scope Area: Denver-Aurora-Lakewood CO MSA - 2014</b>						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	493	11.16	20.89	31.64	35.70	0.61
Population by Geography	2,001,257	11.62	20.94	31.59	35.79	0.06
Owner-Occupied Housing by Geography	518,863	6.51	17.05	34.25	42.19	0.00
Business by Geography	251,117	8.06	18.87	29.15	43.57	0.35
Farms by Geography	4,343	7.35	17.18	30.26	45.18	0.05
Family Distribution by Income Level	489,334	21.44	16.33	19.74	42.48	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	184,839	20.31	31.16	29.97	18.56	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2014 Households Below Poverty Level		75,101 76,700 11%	Median Housing Value Unemployment Rate (2010 US Census)	279,421 3.67%		

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2010 U.S. Census and 2014 FFIEC updated MFI.

In 2014, the Denver-Aurora-Lakewood CO MSA AA was comprised of Denver, Clear Creek, Douglas, Jefferson, and Arapahoe counties.

Demographic Information for Full Scope Area: Denver-Aurora-Lakewood CO MSA - 2015						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	352	14.77	21.59	28.41	34.94	0.28
Population by Geography	1,457,626	15.33	21.66	27.77	35.23	0.00
Owner-Occupied Housing by Geography	359,395	9.14	18.38	30.66	41.82	0.00
Business by Geography	176,371	10.50	18.55	26.64	43.89	0.43
Farms by Geography	2,917	10.04	17.11	27.70	45.05	0.10
Family Distribution by Income Level	343,064	23.14	16.19	18.98	41.69	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	134,947	26.87	31.24	25.03	16.86	0.00
Median Family Income		75,101	Median Housing Value	280,845		
FFIEC Adjusted Median Family Income for 2015		79,900	Unemployment Rate	3.64%		
Households Below Poverty Level		12%	(2010 US Census)			

(\*) The NA category consists of geographies that have not been assigned an income classification.  
 Source: 2010 U.S. Census and 2015 FFIEC updated MFI.

Beginning in 2015, the Denver-Aurora-Lakewood CO MSA AA includes the counties of Arapahoe, Denver, and Douglas. The Denver-Aurora-Lakewood CO MSA is comprised of ten counties; Adams, Arapahoe, Broomfield, Clear Creek, Denver, Douglas, Elbert, Gilpin, Jefferson, and Park. However, MOB limited their AA to the three counties they were reasonably able to serve.

The bank currently has one branch in the AA, located in a moderate-income census tract. The AA’s population is approximately 1.5 million, according to the 2010 U. S. Census.

According to the U.S. Census data, the AA consists of 352 census tracts, of which 52 are low-income, 76 are moderate-income, 100 are middle-income, 123 are upper-income, and one is unclassified. The AA meets regulatory requirements and does not arbitrarily exclude low- or moderate-income areas.

The FFIEC-adjusted MFI for 2015 was \$79,900. Approximately 36.4 percent of the census tracts in the Denver-Aurora-Lakewood CO MSA AA are designated as low- or moderate-income and 37.0 percent of the population reside in these low- or moderate-income geographies. As reported in the 2010 U.S. Census, 9.5 percent of the families in the AA had income below the poverty level.

Strong competition exists within the bank’s AA. As of June 30, 2016, there were 63 financial institutions with branch operations in the AA. According to the June 30, 2016 FDIC’s Summary of Deposits report, MOB ranks 42<sup>nd</sup> with 0.08 percent deposit market share. MOB had deposits of \$45.2 million and one branch serving the AA. MOB’s top five competitors, in order of market share rank are, Wells Fargo Bank, NA, U.S. Bank, N.A, JPMorgan Chase Bank, NA, FirstBank and KeyBank, N.A.

Employment and Economic Factors

The economic conditions of the AA have improved over the evaluation period. According to the Bureau of Labor Statistics (<http://beta.bls.gov>), the average unemployment rate in Arapahoe County was 2.6 percent in 2016, down from 7.1 percent in 2012. Additionally, both Denver and Douglas counties have also seen improved economic conditions with an average unemployment rate in 2016 of 2.6 percent and 2.3 percent, respectively, compared to 7.1 percent and 5.6 percent in 2012.

Leading industries include education, healthcare, government, and aerospace fields. According to the Denver Relocation Guide (<http://denverlocationguide.com>), major employers in the Denver area include the University of Colorado, public schools, government, HealthONE Corporation, SCL Health Care, and Centura Health, and Lockheed Martin Corporation.

### Housing

There are limited opportunities for home mortgage lending in this AA's LMI geographies. The number of housing units is much lower in LMI geographies than middle- and upper-income geographies. According to the 2010 U.S. Census, 9.1 percent of owner-occupied units were located in low-income geographies and 18.4 percent in moderate-income geographies. Of the total housing units in low-income geographies, 55.09 percent were occupied rental units and 10.7 percent were vacant units. In moderate-income geographies, 44.2 percent were occupied rental units and 8.5 percent were vacant.

According to the 2010 U.S. Census, the median housing value for the AA was \$280,845. Median home prices may impact home ownership capacity especially for LMI individuals given the high median price compared with the high-end for low-income of \$39,950 and \$63,920 for moderate-income. These income levels and the level of families living below poverty, 8.6 percent, impact the number of low-income individuals and families that can afford owner-occupied housing in this AA.

According to the 2010 U.S. Census, the median age of housing stock is higher in low- or moderate-income geographies than middle- and upper-income geographies, contributing to the lower median housing values in LMI geographies. Older housing may have lower purchase prices, but often has higher maintenance costs. Per the 2010 U.S. Census, the median age of housing for LMI geographies was 43 and 40 years, respectively. In comparison, the median age of middle- and upper-income geographies was much lower at 35 and 24 years, respectively. Due to the older age of housing stock in low- or moderate-income geographies, we would expect a higher average maintenance cost, and the higher costs impact home ownership affordability in this AA within the low- or moderate-income geographies.

### Community Contact

We reviewed a community contact conducted in the AA as part of this performance evaluation comprised of a non-profit organization that strives to make housing and homeownership affordable for LMI individuals. The organization provides down payment assistance and financial counseling services. The contact indicated a need for financial literacy as many of their clients are not aware of credit services offered by financial institutions or do not know how to proceed in seeking financing. The contact also indicated that opportunities exist for financial institutions to support and assist LMI individuals with housing and homeownership, multifamily housing for LMI individuals and financial education.

**State of Florida**

**Naples-Immokalee-Marco Island FL MSA**

<b>Demographic Information for Full Scope Area: Naples-Immokalee-Marco Island FL MSA</b>						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	73	8.22	20.55	38.36	32.88	0.00
Population by Geography	321,520	9.05	20.27	43.40	27.27	0.00
Owner-Occupied Housing by Geography	91,397	2.40	16.42	46.03	35.15	0.00
Business by Geography	47,668	2.68	13.33	42.64	41.35	0.00
Farms by Geography	1,284	6.46	18.77	49.22	25.55	0.00
Family Distribution by Income Level	81,135	21.14	18.31	19.04	41.50	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	32,010	10.31	27.24	44.01	18.44	0.00
Median Family Income		68,556	Median Housing Value	427,396		
FFIEC Adjusted Median Family Income for 2015		66,500	Unemployment Rate	3.36%		
Households Below Poverty Level		9%	(2010 US Census)			

(\*) The NA category consists of geographies that have not been assigned an income classification.  
 Source: 2010 US Census and 2015 FFIEC updated MFI

The Naples-Immokalee-Marco Island FL MSA AA includes Collier County in Florida. The Naples-Immokalee-Marco Island FL MSA is comprised solely of Collier County, of which MOB designated the entire MSA as their AA. Collier County is located on the southwestern boundary of Florida, near the Everglades National Park.

The bank has two branches in the Collier County AA, both of which are located in upper-income census tracts. The Collier County AA’s combined population is approximately 322 thousand as of the 2010 Census.

According to the U.S. Census data, the AA consists of 73 census tracts, of which 6 are low-income, 15 are moderate-income, 28 are middle-income, and 24 are upper-income. The AA meets regulatory requirements and does not arbitrarily exclude low- or moderate-income areas.

The FFIEC-adjusted MFI for 2015 was \$66,500. Approximately 28.8 percent of the census tracts in Collier County are designated as low- or moderate-income and 29.3 percent of the population reside in these low- or moderate-income geographies. As reported in the 2010 U.S. Census, 7.9 percent of the families in the AA had income below the poverty level.

Strong competition exists within the bank’s AA. As of June 30, 2016, there are 39 financial institutions with branch operations in the Collier County AA. According to the June 30, 2016 FDIC’s Summary of Deposits report, MOB ranks 19<sup>th</sup> with 1.03 percent deposit market share. MOB has deposits of \$158.9 million distributed among two branches serving the Collier County AA. MOB’s top five competitors, in order of market share rank are, Fifth Third Bank, KeyBank, N.A., Wells Fargo Bank, NA, Bank of America, N.A. and First Florida Integrity Bank.

### Employment and Economic Factors

The economic conditions of the AA has improved over the evaluation period. According to the Bureau of Labor Statistics (<http://beta.bls.gov>), the average unemployment rate in Collier County was 4.9 percent in 2016, down from 8.6 percent in 2012. Leading industries include tourism, healthcare, and education. According to the Southwest Florida Economic Development Alliance (<http://swfleda.com>), major employers in the area include Lee Memorial Health System, public school districts, NCH Naples Hospitals, Publix Super Markets, and Charlotte Regional Medical Center. Economic conditions have rebounded since the recession.

### Housing

There are limited opportunities for home mortgage lending in this AA's LMI geographies. The number of housing units is much lower in LMI geographies than middle- and upper-income geographies. According to the 2010 U.S. Census, 2.4 percent of owner-occupied units were located in low-income geographies and 16.4 percent in moderate-income geographies. Of the total housing units in low-income geographies, 43.3 percent were occupied rental units and 29.8 percent were vacant units. In moderate-income geographies, 24.8 percent were occupied rental units and 31.0 percent were vacant.

According to the 2010 U.S. Census, the median housing value for the AA was \$427,396. Median home prices may impact home ownership capacity especially for LMI individuals given the high median price compared with the high-end for low-income of \$33,250 and \$53,200 for moderate-income. These income levels and the level of families living below poverty, 7.9 percent, impact the number of low-income individuals and families that can afford owner-occupied housing in this AA.

According to the 2010 U.S. Census, the median age of housing stock is higher in low- or moderate-income geographies than middle- and upper-income geographies, contributing to the lower median housing values in LMI geographies. Older housing may have lower purchase prices, but often has higher maintenance costs. Per the 2010 U.S. Census, the median age of housing for LMI geographies was 26 and 22 years, respectively. In comparison, the median age of middle- and upper-income geographies was much lower at 17 and 18 years, respectively. Due to the older age of housing stock in low- or moderate-income geographies, we would expect a higher average maintenance cost, and the higher costs impact home ownership affordability in this AA within the low- or moderate-income geographies.

### Community Contact

We reviewed a local organization that provides affordable housing and community services within the Naples-Immokalee-Marco Island FL MSA. The contact stated that there is a great need for affordable housing for LMI individuals and families throughout the MSA. The contact stated the three geographic areas that are in the most need of affordable housing are Immokalee, Golden Gate City, and East Naples. The contact stated that the Immokalee area has a critical need for affordable housing. The contact also indicated a need for dual language (Spanish) outreach for individuals to gain access to financial services due to existing language barriers.

The contact also mentioned that need for affordable senior living. The AA has a high population of permanent retirees. The contact indicated that there are many LMI retirees in AA, and these individuals are experiencing economic impact due to the recent influx of affluent retirees. Another factor impacting

the need for affordable senior housing is the increase in property owners of retirement mobile home parks selling the land to developers; leaving many LMI retirees displaced with few housing options.

## State of Hawaii

### Urban Honolulu MSA

Demographic Information for Full Scope Area: Urban Honolulu HI MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	244	4.92	23.36	38.11	28.69	4.92
Population by Geography	953,207	3.36	23.21	45.34	28.01	0.09
Owner-Occupied Housing by Geography	175,554	1.13	13.21	46.57	39.09	0.00
Business by Geography	53,899	3.78	34.86	34.58	23.96	2.82
Farms by Geography	751	1.07	22.50	46.74	27.96	1.73
Family Distribution by Income Level	215,363	19.82	18.23	22.77	39.17	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	81,959	5.30	33.99	43.20	17.50	0.01
Median Family Income		81,370	Median Housing Value	517,772		
FFIEC Adjusted Median Family Income for 2015		86,900	Unemployment Rate	2.43%		
Households Below Poverty Level		9%	(2010 US Census)			

(\*) The NA category consists of geographies that have not been assigned an income classification.

Source: 2010 U.S. Census, and 2015 FFIEC updated MFI

The Urban Honolulu HI MSA is comprised of Honolulu County. The bank's AA includes the entire county. MOB has one branch in the AA, which is located in a middle-income census tract. The population of the Honolulu AA totals 953 thousand according 2010 U.S. Census data.

According to the U.S. Census data, the AA consists of 244 census tracts, of which 12 are low-income, 57 are moderate-income, 93 are middle-income, 70 are upper-income, and 12 are unclassified. The AA meets the requirements of the CRA regulation and does not arbitrarily exclude LMI geographies.

The FFIEC Adjusted MFI for 2015 was \$86,900. According to the 2010 U.S. Census data, 28.3 percent of census tracts were low- or moderate-income. The population residing in LMI census tracts was 26.6 percent. As reported in the 2010 U.S. Census data, 6.2 percent of families were below the poverty level.

Strong competition exists within the bank's AA. The June 30, 2016 FDIC Deposit Market Share Report reflects 13 financial institutions with branch operations in the AA. MOB operates one branch in the AA. Historical deposits at the branch within the AA have totaled \$1 thousand, which represents a .001 percent market share, ranking 13<sup>th</sup> in the market. The strongest competitors in the market include First Hawaiian Bank, Bank of Hawaii, American Savings Bank, FSB, Central Pacific Bank and Territorial Savings Bank. These institutions account for over 95.1 percent of total deposits in the AA.

#### Employment and Economic Factors

The economic condition of the AA has improved notably over the evaluation period. According to the U.S. Bureau of Labor Statistics (<http://beta.bls.gov>), unemployment rates for the AA improved from 5.0 percent in 2012 to 2.7 percent in 2016. Leading industries include agriculture, tourism, military defense, and manufacturing. According to the state of Hawaii (<http://data.hawaii.gov>), the largest employers include Altres, Kapiolani and Queens Medical Centers, and state government.

### Housing

There are limited opportunities for home mortgage lending in this AA's LMI geographies. The number of housing units is much lower in LMI geographies than middle- and upper-income geographies. According to the 2010 U.S. Census, only 1.1 percent of the AAs owner-occupied units were located in low-income geographies and 13.2 percent in moderate-income geographies. Of the total housing units in low-income geographies, 70.2 percent were occupied rental units and 12.1 percent were vacant units. In moderate-income geographies, 60.6 percent were occupied rental units and 12.4 percent were vacant.

Housing in the Urban Honolulu MSA AA is very costly. According to the 2010 U.S. Census, the median housing value for the AA was \$517,772. Median home prices may impact home ownership capacity especially for LMI individuals given the high median price compared with the high-end for low-income of \$43,450 and \$69,520 for moderate-income individuals. These income levels and the level of families living below poverty, 6.2 percent, impact the number of low-income individuals and families that can afford owner-occupied housing in this AA.

According to the 2010 U.S. Census, the median age of housing stock is somewhat similar in low- or moderate-income geographies than middle- and upper-income geographies. Median housing value in low-income census tracts was \$460 thousand and \$406 thousand in moderate-income census tracts. In comparison, the median housing value in middle- and upper-income geographies was \$530 thousand and \$719 thousand, respectively. The overall high level of median housing values in the AA would make it difficult for low- and moderate-income individuals to obtain housing in the AA.

### Community Contact

As part of this performance evaluation, we reviewed community contacts conducted within the AA. The community contacts had participation of a variety of community development organizations, nonprofit organizations, and local/regional government located in the AA. Overall, the contacts felt that LMI individuals are not benefitting from the economic upturn as much as other segments across the AA. Contacts indicated a need for affordable multifamily housing, financial education, and community outreach to local nonprofit groups. In addition, the contacts indicated a need for further support of local Community Development Financial Institutions (CDFIs) that provide credit and financial services to underserved markets and populations in the AA.

**State of Nebraska**

**Omaha-Council Bluffs NE-IA MMSA (State of Nebraska Only)**

<b>Demographic Information for Full Scope Area: Omaha-Council Bluffs NE-IA MMSA</b>						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	199	14.07	20.10	35.68	29.65	0.50
Population by Geography	675,950	10.52	19.71	36.07	33.31	0.38
Owner-Occupied Housing by Geography	168,613	6.78	15.98	39.23	38.01	0.00
Business by Geography	44,789	7.08	17.13	40.01	35.23	0.54
Farms by Geography	1,489	3.09	10.48	48.76	37.61	0.07
Family Distribution by Income Level	165,796	20.47	16.80	22.10	40.63	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	61,788	19.42	27.86	36.76	15.95	0.00
Median Family Income		69,538	Median Housing Value	150,078		
FFIEC Adjusted Median Family Income for 2015		72,800	Unemployment Rate	3.16%		
Households Below Poverty Level		11%	(2010 US Census)			

(\*) The NA category consists of geographies that have not been assigned an income classification.  
 Source: 2010 U.S. Census and 2015 FFIEC updated MFI.

The Omaha-Council Bluffs NE-IA MMSA AA includes Douglas and Sarpy Counties situated in the state of Nebraska. The Omaha-Council Bluffs NE-IA MMSA is comprised of eight counties, three in the state of Iowa (Harrison, Mills and Pottawattamie) and five in the state of Nebraska (Cass, Douglas, Sarpy, Saunders and Washington). However, MOB limited their AA to the two counties that the bank was reasonably able to serve. While this AA is referred to the Omaha-Council Bluffs NE-IA MMSA, the AA is entirely located within the state of Nebraska. The AA includes the city of Omaha, which is the most populous city in the state of Nebraska.

The bank has five branches in the Omaha-Council Bluffs NE-IA MMSA AA. MOB’s main office is located in a low-income census tract, three branches are in middle-income tracts, and one branch is in an upper-income tract. The AA’s combined population is approximately 676 thousand, as of the 2010 U.S. Census.

According to the 2010 U.S. Census data, the AA consists of 199 census tracts, of which 28 are low-income, 40 are moderate-income, 71 are middle-income, 59 are upper-income, and one is unclassified. The AA meets the requirements of the CRA regulation and does not arbitrarily exclude low- or moderate-income geographies.

The 2015 FFIEC MFI was \$72,800. Approximately 34.2 percent of the census tracts in Douglas and Sarpy Counties are designated as low- or moderate-income and 30.2 percent of the population reside in these low- or moderate-income geographies. As reported in the 2010 U.S. Census, 8.1 percent of the families in the AA had income below the poverty level.

Strong competition exists within the bank’s AA. As of the June 30, 2016 FDIC Deposit Market Share Report, there are 37 financial institutions with branch operations in the AA. According to the June 30, 2016 FDIC report, MOB ranks 8<sup>th</sup> with 3.2 percent deposit market share. MOB’s deposit market share data and ranking was adjusted by \$3.8 billion, which are comprised of deposits held by MOB in

conjunction with its nationwide Community Association Banking management services. After this adjustment, MOB has deposits of \$869 million distributed among five branches serving the AA. The strongest competitors in the market include First National Bank of Omaha, Wells Fargo Bank, N.A. U.S. Bank, N.A., American National Bank and Great Western Bank. These institutions account for over 62.4 percent of total deposits in the AA.

### Employment and Economic Factors

The economic conditions of the AA has improved over the evaluation period. According to the Bureau of Labor Statistics (<http://beta.bls.gov>), the average unemployment rate in Douglas County was 3.1 percent in 2016, down from 4.0 percent in 2012. In Sarpy County, the average unemployment rate was 2.6 percent in 2016, down from 3.6 percent in 2012. Leading industries include agricultural manufacturing, finance and insurance, health care and social assistance, military, and transportation. According to City-Data (<http://city-data.com>) and Sarpy County (<http://sarpy.com>), major employers in the AA include Offutt Air Force Base, Alegent Health Inc., public school districts, Methodist Health System, Nebraska Medical Center, Mutual of Omaha Insurance, Union Pacific Railroad, First Data Corporation, and PayPal Inc.

### Housing

There are limited opportunities for home mortgage lending in this AA's LMI geographies. The number of housing units is much lower in LMI geographies than middle- and upper-income geographies. According to the 2010 U.S. Census, 6.78 percent of owner-occupied units were located in low-income geographies and 16.0 percent in moderate-income geographies. Of the total housing units in low-income geographies, 47.6 percent were occupied rental units and 15.8 percent were vacant units. In moderate-income geographies, 43.9 percent were occupied rental units and 10.7 percent were vacant.

According to the 2010 U.S. Census, the median housing value for the AA was \$150,078. Median home prices may impact home ownership capacity especially for low-income individuals given the level of median price compared with the high-end for low-income of \$36,400. These income levels and the level of families living below poverty, 8.1 percent, impact the number of low-income individuals and families that can afford owner-occupied housing in this AA.

According to the 2010 U.S. Census, the median age of housing stock is higher in low- or moderate-income geographies than middle- and upper-income geographies, contributing to the lower median housing values in LMI geographies. Older housing may have lower purchase prices, but often has higher maintenance costs. Per the 2010 U.S. Census, the median age of housing for LMI geographies was 63 and 54 years, respectively. In comparison, the median age of middle- and upper-income geographies was much lower at 36 and 21 years, respectively. Due to the older age of housing stock in low- or moderate-income geographies, we would expect a higher average maintenance cost, and the higher costs impact home ownership affordability in this AA within the low- or moderate-income geographies.

### Community Contact

As part of this performance evaluation, we reviewed a community contact conducted in the AA. The community contact's organization provides low-interest rate financing for residential rental properties, housing rehabilitation, and homeownership benefiting LMI families. The community contact indicated a need for mortgage lending to LMI individuals as there has been a tightening of credit underwriting by

financial institutions following the recent recession. The community contact believed that many financial institutions have yet to adjust their tightened underwriting standards, exacerbating access to affordable mortgage credit for LMI borrowers. The contact indicated that financial institutions have remained active in homebuyer assistance efforts to help better prepare LMI borrowers for home ownership by providing down payment and closing cost assistance programs in an effort to make homeownership attainable for LMI families, but increased outreach is needed.

## State of Nevada

### Las Vegas-Henderson-Paradise NV MSA

Demographic Information for Full Scope Area: Las Vegas-Henderson-Paradise						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	487	5.75	23.20	41.27	29.77	0.00
Population by Geography	1,951,269	5.29	22.78	42.19	29.74	0.00
Owner-Occupied Housing by Geography	405,047	1.74	15.53	45.66	37.07	0.00
Business by Geography	98,521	4.92	21.14	42.34	31.59	0.00
Farms by Geography	1,587	2.33	18.27	43.86	35.54	0.00
Family Distribution by Income Level	457,592	20.10	18.02	22.00	39.88	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	174,412	9.69	33.02	40.10	17.20	0.00
Median Family Income		63,888	Median Housing Value	253,307		
FFIEC Adjusted Median Family Income for 2015		59,200	Unemployment Rate	4.62%		
Households Below Poverty Level		10%	(2010 US Census)			

(\*) The NA category consists of geographies that have not been assigned an income classification.

Source: 2010 U.S. Census, and 2015 FFIEC updated MFI

The Las Vegas-Henderson-Paradise NV MSA AA is comprised of Clark County, which includes the City of Las Vegas. The population of the Clark County AA totaled approximately 2.0 million according to the 2010 U.S. Census. According to the U.S. Census data, the AA consists of 487 census tracts, of which 28 are low-income, 113 are moderate-income, 201 are middle-income, and 145 are upper-income. The AA meets the requirements of the CRA regulation and does not arbitrarily exclude LMI geographies.

Currently, the bank operates three full-service branches (one moderate- and two middle-income) in the AA, with one branch in a moderate-income census tract and two branches located in middle-income census tract.

The FFIEC Adjusted MFI for 2015 was \$59,200. According to the 2010 U.S. Census data, 29.0 percent of census tracts were low- or moderate-income. The population residing in LMI census tracts was 28.1 percent. As reported in the 2010 U.S. Census data, 10.5 percent of households were below the poverty level.

Strong competition exists within the bank's AA. As of June 30, 2016 FDIC Deposit Market Share Report, there are 38 financial institutions with branch operations in the AA. According to the June 30, 2016 FDIC report, MOB ranks 15<sup>th</sup> with 0.60 percent deposit market share. MOB has deposits of \$318.3 million distributed among three branches serving the AA. MOB's top five competitors, in order of market share rank are, Bank of America, N.A. Wells Fargo Bank, N.A., Wells Fargo Financial National Bank, Western Alliance Bank and JPMorgan Chase Bank, N.A.

#### Employment and Economic Factors

The economic condition of the AA has improved notably over the evaluation period. According to the U.S. Bureau of Labor Statistics (<http://beta.bls.gov>), unemployment rates for the AA improved from

10.5 percent in 2012 to 5.1 percent in 2016. Leading industries include gaming, tourism, and recreation/entertainment. According to NV Energy (<http://nvenergy.com>), the largest employers include the various casinos located in the county; including Las Vegas Sands, MGM Resorts International, Caesars Entertainment, and Winn Resorts. Other major employers include state and local governments.

### Housing

There are limited opportunities for home mortgage lending in this AA's LMI geographies. The number of housing units is much lower in LMI geographies than middle- and upper-income geographies. According to the 2010 U.S. Census, only 1.7 percent of the AA's owner-occupied units were located in low-income geographies and 15.5 percent in moderate-income geographies. Of the total housing units in low-income geographies, 66.5 percent were occupied rental units and 18.6 percent were vacant units. In moderate-income geographies, 50.1 percent were occupied rental units and 17.3 percent were vacant.

According to the 2010 U.S. Census, the median housing value for the AA was \$253,307. Median home prices may impact home ownership capacity, especially for LMI individuals given the high median price compared with the high-end for low-income of \$29,600 and \$47,360 for moderate-income individuals. These income levels and the level of families living below poverty, 8.7 percent, impact the number of LMI individuals and families that can afford owner-occupied housing in this AA.

According to the 2010 U.S. Census, the median age of housing stock is higher in LMI geographies than middle- and upper-income geographies, contributing to the lower median housing values in LMI geographies. The 2010 U.S. Census data reports that the median age in LMI geographies was 33 years and 27 years, respectively. In contrast, the median age of middle- and upper-income geographies was 16 years and 10 years, respectively. In general, older housing has a lower purchase price but higher maintenance costs. Due to the older age of housing stock in LMI geographies, we would expect higher average maintenance costs, making it even more difficult to afford owner-occupied housing in this AA for LMI individuals.

### Community Contact

We reviewed one community contact interview conducted in the AA as part of this performance evaluation. The contact is associated with a local Chamber of Commerce and cited a need for financial training for young entrepreneurs and financial education for small business owners. The contact indicated that lending to start-up small businesses remains a need in the AA.

**Reno NV MSA**

Demographic Information for Full Scope Area: Reno NV MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	111	9.01	21.62	31.53	33.33	4.50
Population by Geography	421,407	10.21	22.54	34.23	32.97	0.05
Owner-Occupied Housing by Geography	96,853	3.53	15.70	36.70	44.07	0.01
Business by Geography	25,341	10.84	29.04	21.12	34.02	4.98
Farms by Geography	550	7.09	19.82	30.91	40.55	1.64
Family Distribution by Income Level	101,661	20.97	17.79	20.40	40.84	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	39,404	17.21	32.27	32.56	17.94	0.02
Median Family Income		67,350	Median Housing Value	298,970		
FFIEC Adjusted Median Family Income for 2015		63,500	Unemployment Rate	4.29%		
Households Below Poverty Level		11%	(2010 US Census)			

(\* ) The NA category consists of geographies that have not been assigned an income classification.  
 Source: 2010 U.S. Census, and 2015 FFIEC updated MFI

The Reno NV MSA includes Washoe and Storey Counties. However, MOB limited their AA to Washoe County, which is the larger of the two counties. MOB limited their AA to the county that they were reasonably able to serve. The population of the AA totals 421 thousand according 2010 U.S. Census data.

According to the 2010 U.S. Census data, the AA consists of 111 census tracts, of which 10 are low-income, 24 are moderate-income, 35 are middle-income, 37 are upper-income, and 5 are unclassified. The AA meets the requirements of the CRA regulation and does not arbitrarily exclude LMI geographies.

The FFIEC Adjusted MFI for 2015 was \$63,500. According to the 2010 U.S. Census data, 30.6 percent of census tracts were low- or moderate-income. The population residing in LMI census tracts was 32.8 percent. As reported in the 2010 U.S. Census data, 10.9 percent of households were below the poverty level.

Moderate level of competition exists within the bank’s AA. The June 30, 2016 FDIC Deposit Market Share Report shows 17 institutions with branch operations in the AA. MOB ranks 12<sup>th</sup> in the market with 0.07 percent of the deposit market share. MOB has deposits of \$97.2 million in the AA. MOB’s top five competitors, in order of market share rank are, Charles Schwab Bank, Wells Fargo Bank, N.A., Bank of America, N.A, U.S. Bank, NA and ZB, N.A. These financial institutions account for over 98.4 percent of total deposits in the AA.

Employment and Economic Factors

The economic condition of the AA has improved notably over the evaluation period. According to the U.S. Bureau of Labor Statistics (<http://beta.bls.gov>), unemployment rates for the AA improved from 10.1 percent in 2012 to 4.2 percent in 2016. Unemployment peaked at 11.2 percent in January of 2013. Leading industries include entertainment/recreation (including tourism), health care and educational

services. According to NV Energy (<http://nvenergy.com>), the largest employers are the Washoe County School District, University of Nevada-Reno, and Renown Regional Medical Center.

### Housing

There are limited opportunities for home mortgage lending in this AA's LMI geographies. The number of housing units is much lower in LMI geographies than middle- and upper-income geographies. According to the 2010 U.S. Census, only 3.5 percent of the AA's owner-occupied units were located in low-income geographies and 15.7 percent in moderate-income geographies. Of the total housing units in low-income geographies, 69.9 percent were occupied rental units and 12.3 percent were vacant units. In moderate-income geographies, 54.0 percent were occupied rental units and 11.6 percent were vacant.

According to the 2010 U.S. Census, the median housing value for the AA was \$298,970. Median home prices may impact home ownership capacity especially for LMI individuals given the high median price compared with the high-end for low-income of \$31,750 and \$59,800 for moderate-income individuals. These income levels and the level of families living below poverty, 8.5 percent, impact the number of LMI individuals and families that can afford owner-occupied housing in this AA.

According to the 2010 U.S. Census, the median age of housing stock is higher in LMI geographies than middle- and upper-income geographies, contributing to the lower median housing values in LMI geographies. The 2010 U.S. Census data reports that the median age in LMI geographies was 40 years and 32 years, respectively. In contrast, the median age of middle- and upper-income geographies was 24 years and 18 years, respectively. In general, older housing has a lower purchase price but higher maintenance costs. Due to the older age of housing stock in LMI geographies, we would expect higher average maintenance costs, making it even more difficult to afford owner-occupied housing in this AA for LMI individuals.

### Community Contact

As part of this performance evaluation, we reviewed two community contacts. An economic development organization that serves the state of Nevada, including this AA indicated that the economy has rebounded since the recession and several large companies have entered the area. The contact stated the increase in the large business' coming to the area has sparked an increase in new local business openings. The contact indicated a need for additional small business lending and financial education programs.

An additional community contact in the AA stated the highest priorities for the area include the need for affordable housing for LMI individuals and families, down payment assistance for mortgage loans, alternative lending options with less stringent credit requirements, financial literacy and rental assistance.

**State of Texas**

**Dallas-Plano-Irving TX MSA**

<b>Demographic Information for Full Scope Area: Dallas-Plano-Irving TX MD</b>						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	529	19.85	33.08	23.82	22.68	0.57
Population by Geography	2,368,139	18.28	35.02	25.43	21.28	0.00
Owner-Occupied Housing by Geography	454,958	9.46	30.70	29.20	30.63	0.00
Business by Geography	222,100	12.67	23.45	26.74	36.78	0.37
Farms by Geography	3,380	10.70	26.75	27.85	34.49	0.20
Family Distribution by Income Level	544,733	30.68	19.15	17.80	32.38	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	271,413	27.41	42.86	21.37	8.36	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2013 Households Below Poverty Level		67,501 69,000 15%	Median Housing Value Unemployment Rate (2010 US Census)	162,593 3.96%		

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2010 U.S. Census, and 2013 FFIEC updated MFI

<b>Demographic Information for Full Scope Area: Dallas-Plano-Irving TX MD – 2014 OMB Impact</b>						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	529	19.66	33.27	23.44	23.06	0.57
Population by Geography	2,368,139	18.11	35.18	25.10	21.61	0.00
Owner-Occupied Housing by Geography	454,958	9.40	30.76	28.80	31.03	0.00
Business by Geography	222,100	12.51	23.82	25.85	37.43	0.39
Farms by Geography	3,380	10.65	27.10	26.42	35.68	0.15
Family Distribution by Income Level	544,733	30.47	19.14	17.82	32.57	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	270,259	27.21	43.14	21.15	8.51	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2015 Households Below Poverty Level		61,175 70,500 15%	Median Housing Value Unemployment Rate (2010 US Census)	162,593 3.96%		

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2010 U.S. Census, and 2015 FFIEC updated MFI

The Dallas-Plano-Irving TX MD AA consists of Dallas County. The Dallas-Plano-Irving TX MD includes seven counties comprised of Collin, Dallas, Denton, Ellis, Hunt, Kaufman and Rockwall counties. However, MOB limited their AA to Dallas County for an area the bank was reasonably able to serve. MOB has two branches in the AA, one in a middle-income and one in an upper-income census tract. The population of the AA is approximately 2.4 million according 2010 U.S. Census data.

The Office of Management and Budget (OMB) made geographical boundary revisions in 2014. The total number census tracts did not change, but the underlying income distribution of census tracts changed. From 2013 to 2014, the Dallas-Plano-Irving TX MD AA number of low-income census tracts

increased by one, while the moderate-income census tracts decreased by one. Also, the number of middle-income census tracts increased by two, while the number of upper income-census tracts decreased by two. Prior to the 2014 OMB geography boundary changes, the Dallas-Plano-Irving TX MD included eight counties (Collin, Dallas, Delta, Denton, Ellis, Hunt, Kaufman, and Rockwall). Effective January 1, 2014, OMB geographic boundary revisions excluded Delta County from the Dallas-Plano-Irving TX MD. As previously noted, MOB limited their Dallas-Plano-Irving TX MD AA to the county they were reasonably able to serve (Dallas County).

According to the U.S. Census data, the AA consists of 529 census tracts, of which 104 are low-income, 176 are moderate-income, 124 are middle-income, 122 are upper-income, and 3 are unclassified. The AA meets the requirements of the CRA regulation and does not arbitrarily exclude LMI geographies.

The FFIEC Adjusted MFI for 2013 was \$69,000 and increased two percent to \$70,500 for 2015. According to the 2010 U.S. Census data, 52.9 percent of census tracts were low- or moderate-income (LMI). The population residing in LMI census tracts was about 53.2 percent, and did not change significantly from 2013 and 2015. As reported in the 2010 U.S. Census, the percentage of families below the poverty level was 14.3 percent.

Strong competition exists within the bank's AA. The June 30, 2016 FDIC Deposit Market Share Report indicates 101 financial institutions with branch operations in the AA. MOB ranks 63<sup>rd</sup> in the market with a 0.04 percent deposit market share. MOB's total deposits in the AA, as of June 30, 2016, totaled \$67.5 million. The primary competitors in the market include Bank of America, N.A., JPMorgan Chase, N.A., Texas Capital Bank, N.A., Wells Fargo Bank, N.A. and Compass Bank. These banks account for approximately 76.5 percent of the deposit market share in the AA.

### Employment and Economic Factors

The economic condition of the AA has improved over the evaluation period. According to the U.S. Bureau of Labor Statistics (<http://beta.bls.gov>), unemployment rates for the AA improved from 6.7 percent in 2012 to 3.6 percent in 2016. Unemployment peaked at 7.3 percent in January of 2013. Leading industries include trade, professional and business services, government, health and education services, and hospitality services. According to Destination DFW (<http://destinationdfw.com>), major employers include American Airlines, Lockheed Martin, Bank of America N.A., Baylor Health Care System, AT&T, JPMorgan Chase, Texas Instruments, Target Corp., and ExxonMobil, which is headquartered in Irving, TX.

### Housing

There are limited opportunities for home mortgage lending in this AA's low-income geographies. According to the 2010 U.S. Census, 9.4 percent of owner-occupied units in AA were located in low-income census tracts and 30.8 percent in moderate-income census tracts. Of the total housing units in low-income geographies, 59.8 were occupied rental units and 15.9 percent were vacant units. In moderate-income geographies, 41.6 percent were occupied rental units and 11.5 percent were vacant.

According to the 2010 U.S. Census, the median housing value for the AA was \$162,593. Median home prices may impact home ownership capacity especially for LMI individuals given the high median price compared with the high-end for low-income of \$35,250 and \$56,400 for moderate-income individuals.

These income levels and the level of families living below poverty, 14.3 percent, impact the number of LMI individuals and families that can afford owner-occupied housing in this AA.

These income levels and the level of families living below poverty would make owner-occupied housing in this AA generally affordable for moderate-income individuals, but somewhat expensive for low-income individuals.

According to the 2010 U.S. Census, the median age of housing stock is higher in LMI geographies than middle- and upper-income geographies, contributing to the lower median housing values in LMI geographies. The 2010 U.S. Census data reports that the median age in LMI geographies was 37 years and 40 years, respectively. In contrast, the median age of middle- and upper-income geographies was 31 years and 30 years, respectively. In general, older housing has a lower purchase price but higher maintenance costs. Due to the older age of housing stock in LMI geographies, we would expect higher average maintenance costs, making it even more difficult to afford owner-occupied housing in this AA for LMI individuals.

### Community Contact

We reviewed two community contacts conducted in the AA as part of this performance evaluation. The contacts were associated with community and business development organizations in the AA. The community development contact indicated a need for an improvement in public education and retail business development in specific areas. Additionally, the contact cited a need for bank involvement in post-purchase counseling for homebuyers, vacant land development financing, and funding to encourage neighborhood-oriented retail development. The second contact cited a need for availability of small business working capital and outreach to diverse communities by financial institutions.

### Houston-The Woodlands-Sugar Land TX MSA

<b>Demographic Information for Full Scope Area: Houston-The Woodlands-Sugar Land TX MSA</b>						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	786	15.90	31.81	23.28	28.63	0.38
Population by Geography	4,092,459	13.04	30.97	26.67	28.96	0.36
Owner-Occupied Housing by Geography	793,400	5.95	25.83	28.60	39.61	0.00
Business by Geography	414,870	10.85	23.39	23.48	42.21	0.08
Farms by Geography	5,989	7.55	21.54	28.32	42.59	0.00
Family Distribution by Income Level	943,393	26.89	17.48	17.37	38.26	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	418,653	21.85	42.19	23.29	12.67	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2013 Households Below Poverty Level		64,179 66,200 15%		Median Housing Value Unemployment Rate (2010 US Census)	156,120 3.65%	

(\* ) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2010 U.S. Census, and 2013 FFIEC updated MFI

<b>Demographic Information for Full Scope Area: Houston-The Woodlands-Sugar Land TX MSA – 2014 OMB Impact</b>						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	786	15.39	31.93	23.28	29.01	0.38
Population by Geography	4,092,459	12.74	31.04	26.55	29.31	0.36
Owner-Occupied Housing by Geography	793,400	5.75	25.81	28.44	40.00	0.00
Business by Geography	347,583	10.57	22.75	23.53	43.07	0.09
Farms by Geography	5,021	7.39	20.02	27.60	44.99	0.00
Family Distribution by Income Level	943,393	26.75	17.46	17.37	38.43	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	417,009	21.43	42.44	23.23	12.90	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2015 Households Below Poverty Level		63,898 70,100 15%		Median Housing Value Unemployment Rate (2010 US Census)	156,120 3.65%	

(\* ) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2010 U.S. Census, and 2015 FFIEC updated MFI

The Houston-The Woodlands-Sugar Land TX MSA AA includes Harris County, which is the largest of the nine counties (by population) in the MSA. MOB has limited their AA to Harris County for an area the bank was reasonably able to serve. The Bank has two branches in the AA, both of which are in upper-income census tracts. The population of the Harris County AA totals 4.1 million according 2010 U.S. Census data.

The Office of Management and Budget (OMB) made geographical boundary revisions in 2014. The total number census tracts remained the same, but the underlying income distribution of census tracts changed. From 2013 to 2014, the number of low-income census tracts decreased by four, the number of moderate-income census tracts increased by one, and the number of upper-income census tracts increased by three. Prior to the 2014 OMB geography boundary changes, the Houston-The Woodlands-

Sugar Land TX MSA included ten counties (Austin, Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, San Jacinto, and Waller). Effective January 1, 2014, the OMB made geographic boundary revisions to exclude San Jacinto County from the Houston-The Woodlands-Sugar Land TX MSA. As previously noted, MOB limited their Houston-The Woodlands-Sugar Land TX MSA AA to the county they were reasonably able to serve (Harris County).

According to the U.S. Census data, the AA consists of 786 census tracts, of which 121 are low-income, 251 are moderate-income, 183 are middle-income, 228 are upper-income, and 3 are unclassified. The AA meets the requirements of the CRA regulation and does not arbitrarily exclude LMI geographies.

The FFIEC Adjusted MFI for 2013 was \$66,200, which increased six percent to \$70,100 in 2015. According to the 2010 U.S. Census data, 47.7 percent of census tracts were low- or moderate-income in 2013 and 47.3 percent in 2015. The population residing in LMI census tracts was 44.0 percent in 2013 and 43.8 in 2015. As reported in the 2010 U.S. Census data, 13.7 percent of families were below the poverty level.

Strong competition exists within the bank's AA. The June 30, 2016 FDIC Deposit Market Share Report shows 79 institutions with branch operations in the AA. MOB ranks 66<sup>th</sup> in the market with a 0.03 percent market share. MOB's deposits in the market as of June 30, 2016 totaled \$45.6 million. The primary competitors in the market include JPMorgan Chase Bank, N.A., Wells Fargo Bank, N.A., Bank of America, N.A., Compass Bank and ZB, N.A. These financial institution's account for 73.3 percent of deposits in the AA.

### Employment and Economic Factors

The economic condition of the AA has improved over the evaluation period. According to the U.S. Bureau of Labor Statistics (<http://beta.bls.gov>), unemployment rates for the AA improved from 6.1 percent in 2012 to 4.9 percent in 2016. Unemployment peaked at 6.7 percent in January of 2013. Leading industries include advanced manufacturing, oil/gas energy, and technology, including aerospace and aviation. The Johnson Space Center, which houses one of NASA's largest research and development facilities, is located in Houston. According to a report published by Harris County in 2012 (<http://harriscountytexas.gov>), major employers in the AA include Exxon Mobil, Shell Oil, National Oilwell Varco, Inc., Chevron, Baker Hughes, JPMorgan Chase, Halliburton, CenterPoint Energy, KBR, Inc., and Kinder Morgan, Inc.

### Housing

There are limited opportunities for home mortgage lending in this AA's LMI geographies. According to the 2010 U.S. Census, 5.8 percent of owner-occupied units in AA were located in low-income census tracts and 25.8 percent in moderate-income census tracts. Of the total housing units in low-income geographies, 59.8 were occupied rental units and 19.3 percent were vacant units. In moderate-income geographies, 42.8 percent were occupied rental units and 13.6 percent were vacant.

According to the 2010 U.S. Census, the median housing value for the AA was \$156,120. Median home prices may impact home ownership capacity especially for LMI individuals given the high median price compared with the high-end for low-income of \$35,075 and \$56,080 for moderate-income individuals. These income levels and the level of families living below poverty, 13.7 percent, impact the number of LMI individuals and families that can afford owner-occupied housing in this AA.

These income levels and the level of families living below poverty would make owner-occupied housing in this AA generally affordable for moderate-income individuals, but somewhat expensive for low-income individuals.

According to the 2010 U.S. Census, the median age of housing stock is higher in LMI geographies than middle- and upper-income geographies, contributing to the lower median housing values in LMI geographies. The 2010 U.S. Census data reports that the median age in LMI geographies was 39 years and 37 years, respectively. In contrast, the median age of middle- and upper-income geographies was 26 years and 24 years, respectively. In general, older housing has a lower purchase price but higher maintenance costs. Due to the older age of housing stock in LMI geographies, we would expect higher average maintenance costs, making it even more difficult to afford owner-occupied housing in this AA for LMI individuals.

### Community Contact

We reviewed one community contact interview conducted in the AA as part of this performance evaluation. The contact was associated with a small business development organization and indicated a need for improved lending to small businesses. Specifically, the contact noted that businesses with 10 to 20 employees have a need for bank outreach and financing. The contact suggested that banks could partner with small business development centers to reach business owners, which would serve the local community by providing necessary businesses.

## Appendix D: Tables of Performance Data

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### Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan areas are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: (1) purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/AA; (2) Partially geocoded loans (loans where no census tract is provided) cannot be broken down by income geographies and, therefore, are only reflected in the Total Loans in Core Tables 2 through 7 and part of Table 13; and (3) Partially geocoded loans are included in the Total Loans and % Bank Loans Column in Core Tables 8 through 12 and part of Table 13. Deposit data are compiled by the FDIC and are available as of June 30<sup>th</sup> of each year. Tables without data are not included in this PE. [Note: Do not renumber the tables.]

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

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/AA. Community development loans to statewide or regional entities or made outside the bank’s AA may receive positive CRA consideration. See Interagency Q&As \_\_.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate share information based on the most recent aggregate industry lending data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table also presents aggregate share information based on the most recent aggregate industry lending data available.

- Table 6. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents aggregate share information based on the most recent aggregate industry lending data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's AA.
- Table 8. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/AA. The table also presents aggregate share information based on the most recent aggregate industry lending data available.
- Table 9. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10. Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Aggregate share information is presented based on the most recent aggregate industry lending data available.
- Table 14. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system.
- A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's AA. See Interagency Q&As \_\_.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.
- Table 15. Distribution of Branch Delivery System and Branch Openings/Closings** - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle-, and upper-income geographies to the percentage of the population within each geography

in each MA/AA. The table also presents data on branch openings and closings in each MA/AA.

Tables of Performance Data

Kansas City MO-KS MMSA

Table 1. Lending Volume

LENDING VOLUME		Geography: KANSAS CITY MO-KS MMSA						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015				
AA (2015):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
<b>Full Review:</b>												
Kansas City MO-KS MMSA	100.00	35	17,888	9	3,752	0	0	2	95,685	46	117,325	100.00
<b>Statewide:</b>												
KS Statewide with no P/M/F in AAs	0.00	0	0	0	0	0	0	1	9,375	1	9,375	0.00

\* Loan Data as of December 31, 2015. Rated area refers to either state or multi-state MA rating area.  
 \*\* The evaluation period for Community Development Loans is October 30, 2012 to December 31, 2016.  
 \*\*\* Deposit Data as of June 30, 2015. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

**Table 2a. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE 2015		Geography: KANSAS CITY MO-KS MMSA						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31,						
AA:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income <sup>1</sup>			
	#	% of Total <sup>2</sup>	% Owner Occ Units <sup>3</sup>	% BANK Loans <sup>4</sup>	% Owner Occ Units <sup>3</sup>	% BANK Loans	% Owner Occ Units <sup>3</sup>	% BANK Loans	% Owner Occ Units <sup>3</sup>	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Kansas City MO-KS MMSA	25	100.00	7.28	0.00	19.45	24.00	32.67	36.00	40.60	40.00	2.25	13.21	34.74	49.80

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 3a. Geographic Distribution of Home Improvement Loans**

Geographic Distribution: HOME IMPROVEMENT		Geography: KANSAS CITY MO-KS MMSA						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015						
AA:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income <sup>1</sup>			
	#	% of Total <sup>2</sup>	% Owner Occ Units <sup>3</sup>	% BANK Loans <sup>4</sup>	% Owner Occ Units <sup>3</sup>	% BANK Loans	% Owner Occ Units <sup>3</sup>	% BANK Loans	% Owner Occ Units <sup>3</sup>	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Kansas City MO-KS MMSA	0	0.00	7.28	0.00	19.45	0.00	32.67	0.00	40.60	0.00	3.59	14.37	29.31	52.72

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 4a. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE		Geography: KANSAS CITY MO-KS MMSA						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015						
AA:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income <sup>1</sup>			
	#	% of Total <sup>2</sup>	% Owner Occ Units <sup>3</sup>	% BANK Loans <sup>4</sup>	% Owner Occ Units <sup>3</sup>	% BANK Loans	% Owner Occ Units <sup>3</sup>	% BANK Loans	% Owner Occ Units <sup>3</sup>	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Kansas City MO-KS MMSA	4	100.00	7.28	0.00	19.45	25.00	32.67	25.00	40.60	50.00	1.93	11.81	30.86	55.40

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 5a. Geographic Distribution of Multifamily Loans**

Geographic Distribution: MULTIFAMILY		Geography: KANSAS CITY MO-KS MMSA						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015						
AA:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income <sup>4</sup>			
	#	% of Total <sup>2</sup>	% of MF Units <sup>3</sup>	% BANK Loans <sup>2</sup>	% MF Units <sup>2*</sup>	% BANK Loans	% MF Units <sup>3</sup>	% BANK Loans	% MF Units <sup>3</sup>	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Kansas City MO-KS MMSA	6	100.00	18.55	50.00	29.69	33.33	28.03	0.00	23.74	16.67	29.41	33.69	22.46	14.44

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

\*\*\* Percentage of Multi Family Units is the number of multi family units in a particular geography divided by the number of multi family housing units in the area based on 2010 Census information.

\*\*\*\* Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

**Table 6a. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES      Geography: KANSAS CITY MO-KS MMSA      Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015														
AA:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income <sup>1</sup>			
	#	% of Total <sup>2</sup>	% of Business <sup>3</sup>	% BANK Loans	% of Businesses <sup>*</sup>	% BANK Loans	% of Business <sup>es</sup> <sup>***</sup>	% BANK Loans	% of Business <sup>es</sup> <sup>***</sup>	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Kansas City MO-KS MMSA	9	100.00	8.53	0.00	18.25	33.33	27.93	33.33	43.20	33.33	6.92	17.68	26.68	48.72

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2015).

**Table 8a. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE		Geography: KANSAS CITY MO-KS MMSA						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015						
AA:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*			
	#	% of Total**	% Families***	% BANK Loans****	% Families2	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Kansas City MO-KS MMSA	25	100.00	21.36	20.00	16.94	32.00	20.46	20.00	41.24	28.00	11.37	22.83	24.99	40.81

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by BANK.

2 Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 9a. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT		Geography: KANSAS CITY MO-KS MMSA						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015						
AA:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data <sup>1</sup>			
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>3</sup>	% BANK Loans <sup>****</sup>	% Families <sup>*</sup>	% BANK Loans <sup>****</sup>	% Families <sup>*</sup>	% BANK Loans <sup>****</sup>	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Kansas City MO-KS MMSA	0	0.00	21.36	0.00	16.94	0.00	20.46	0.00	41.24	0.00	7.56	18.02	24.19	50.23

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by BANK.

<sup>3</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 10a. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: KANSAS CITY MO-KS MMSA						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015						
AA:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*			
	#	% of Total**	% Families***	% BANK Loans****	% Families <sub>4</sub>	% BANK Loans****	% Families* <sub>**</sub>	% BANK Loans****	% Families* <sub>**</sub>	% BANK Loans****	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Kansas City MO-KS MMSA	4	100.00	21.36	0.00	16.94	0.00	20.46	50.00	41.24	50.00	8.28	17.16	24.67	49.89

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by BANK.

4 Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 11a. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: KANSAS CITY MO-KS MMSA			Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015				
AA:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Aggregate Lending Data*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Kansas City MO-KS MMSA	9	100.00	77.20	11.11	0.00	33.33	66.67	24,861	11,301

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2015).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 0.00% of small loans to businesses originated and purchased by the bank.

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS		Geography: KANSAS CITY MO-KS MMSA				Evaluation Period: OCTOBER 30, 2012 TO DECEMBER 31, 2016			
AA:	Prior Period Investments'		Current Period Investments		Total Investments			Unfunded Commitments''	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Kansas City MO-KS MMSA	0	0	6	5,216	6	5,216	99.96	1	245
<b>Statewide:</b>									
KS Statewide with no P/M/F in the AAs			2	2	2	2	0.04	0	0

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

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

**Table 15. Distribution of Branch Delivery System and Branch Openings/Closings**

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS Geography: KANSAS CITY MO-KS MMSA Evaluation Period: OCTOBER 30, 2012 TO DECEMBER 31, 2016																	
AA:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Kansas City MO-KS MMSA	100.00	1	100.00	0.00	0.00	0.00	100.00	1	1	0	0	0	0	11.19	22.83	30.63	35.34

State of Arizona

Table 1. Lending Volume

LENDING VOLUME		Geography: ARIZONA						Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2015				
AA (2015):	% of Rated Area Loans (#) in MA/AA'	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
Phoenix-Mesa-Scottsdale AZ MSA	83.84	668	357,411	413	102,803	0	0	40	105,430	1,121	565,644	84.98
<b>Limited Review:</b>												
Tucson AZ MSA	14.73	135	47,066	60	8,539	0	0	2	3,340	197	58,945	15.02
Lake Havasu City-Kingman AZ MSA****	1.35	15	2,743	3	136	0	0	0	0	18	2,879	0.00
<b>Statewide:</b>												
AZ Statewide with P/M/F in the AAs	0.08	0	0	0	0	0	0	1	4,000	1	4,000	0.00
AZ Statewide with no P/M/F in the AAs	0.00	0	0	0	0	0	0	2	6,716	2	6,716	0.00

\* Loan Data as of December 31, 2015. Rated area refers to either state or multi-state MA rating area.  
 \*\* The evaluation period for Community Development Loans is from October 30, 2012 to December 31, 2016 for the Phoenix-Mesa-Scottsdale AZ MSA and Tucson AZ MSA. The evaluation period for Community Development Loans is from October 30, 2012 to September 19, 2014 for Lake Havasu-Kingman AZ MSA.  
 \*\*\* Deposit Data as of June 30, 2015. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.  
 \*\*\*\* The evaluation period for the Lake Havasu City-Kingman AZ MSA is January 01, 2012 to September 19, 2014.

**Table 2a. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE		Geography: ARIZONA						Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2015						
AA:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income <sup>*</sup>			
	#	% of Total <sup>**</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans <sup>****</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Phoenix-Mesa-Scottsdale AZ MSA	354	81.19	3.61	3.11	20.72	25.71	35.76	21.47	39.91	49.72	2.04	15.64	38.63	43.69
<b>Limited Review:</b>														
Tucson AZ MSA	75	17.20	3.46	16.00	22.02	29.33	37.37	18.67	37.15	36.00	1.87	13.85	37.74	46.55
Lake Havasu City-Kingman AZ MSA	7	1.61	0.00	0.00	10.07	0.00	83.07	85.71	6.86	14.29	0.00	3.89	89.05	7.06

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 3a. Geographic Distribution of Home Improvement Loans**

Geographic Distribution: HOME IMPROVEMENT		Geography: ARIZONA						Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2015						
AA:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income <sup>1</sup>			
	#	% of Total <sup>**</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans <sup>****</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Phoenix-Mesa-Scottsdale AZ MSA	17	77.27	3.61	0.00	20.72	5.88	35.76	17.65	39.91	76.47	1.68	11.52	35.17	51.63
<b>Limited Review:</b>														
Tucson AZ MSA	4	18.18	3.46	0.00	22.02	50.00	37.37	25.00	37.15	25.00	2.62	15.47	30.28	51.64
Lake Havasu City-Kingman AZ MSA	1	4.55	0.00	0.00	10.07	0.00	83.07	100.00	6.86	0.00	0.00	1.60	95.74	2.66

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 4a. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE			Geography: ARIZONA				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2015							
AA:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income <sup>6</sup>			
	#	% of Total <sup>**</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans <sup>****</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Phoenix-Mesa-Scottsdale AZ MSA	262	82.91	3.61	1.53	20.72	6.11	35.76	19.08	39.91	73.28	1.43	11.55	36.43	50.59
<b>Limited Review:</b>														
Tucson AZ MSA	47	14.87	3.46	0.00	22.02	8.51	37.37	25.53	37.15	65.96	1.68	13.62	34.82	49.88
Lake Havasu City-Kingman AZ MSA	7	2.22	0.00	10.07	0.00	0.00	83.07	85.71	6.86	14.29	0.00	3.33	90.06	6.61

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 5a. Geographic Distribution of Multifamily Loans**

Geographic Distribution: MULTIFAMILY		Geography: ARIZONA						Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2015						
AA:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income <sup>1</sup>			
	#	% of Total <sup>**</sup>	% of MF Units <sup>***</sup>	% BANK Loans <sup>****</sup>	% MF Units <sup>**</sup>	% BANK Loans	% MF Units <sup>***</sup>	% BANK Loans	% MF Units <sup>***</sup>	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Phoenix-Mesa-Scottsdale AZ MSA	35	79.55	15.31	14.29	37.05	37.14	28.83	37.14	18.81	11.43	21.18	42.35	25.59	10.88
<b>Limited Review:</b>														
Tucson AZ MSA	9	20.45	9.52	11.11	42.07	44.44	29.24	11.11	19.17	33.33	13.58	53.09	20.99	12.35
Lake Havasu City-Kingman AZ MSA	0	0.00	0.00	0.00	2.82	0.00	89.72	0.00	7.46	0.00	0.00	0.00	100.00	0.00

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

\*\*\* Percentage of Multi Family Units is the number of multi family units in a particular geography divided by the number of multi family housing units in the area based on 2010 Census information.

\*\*\*\* Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

**Table 6a. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES		Geography: ARIZONA		Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2015										
AA:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income <sup>1</sup>			
	#	% of Total <sup>**</sup>	% of Businesses <sup>***</sup>	% BANK Loans	% of Businesses* <sup>**</sup>	% BANK Loans	% of Businesses <sup>***</sup>	% BANK Loans	% of Businesses <sup>***</sup>	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Phoenix-Mesa-Scottsdale AZ MSA	404	86.51	6.48	16.83	15.34	18.56	29.60	18.32	47.97	46.29	7.34	15.09	28.02	49.56
<b>Limited Review:</b>														
Tucson AZ MSA	60	12.85	5.78	10.00	25.02	31.67	30.25	40.00	38.95	18.33	5.19	24.51	30.10	40.20
Lake Havasu City-Kingman AZ MSA	3	0.64	0.00	0.00	5.65	0.00	87.24	100.00	7.11	0.00	0.00	5.81	86.41	7.78

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2015).

**Table 8a. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE		Geography: ARIZONA						Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2015						
AA:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data <sup>6</sup>			
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>5</sup>	% BANK Loans <sup>****</sup>	% Families <sup>*</sup>	% BANK Loans <sup>****</sup>	% Families <sup>*</sup>	% BANK Loans <sup>****</sup>	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Phoenix-Mesa-Scottsdale AZ MSA	354	81.19	20.93	19.83	17.44	22.13	20.15	7.47	41.48	50.57	6.37	20.66	25.00	47.97
<b>Limited Review:</b>														
Tucson AZ MSA	75	17.20	21.62	8.51	17.84	27.66	19.62	4.26	40.92	59.57	7.47	21.29	24.89	46.35
Lake Havasu City-Kingman AZ MSA	7	1.61	18.38	0.00	19.33	14.29	23.40	0.00	38.89	85.71	3.26	11.97	22.59	62.18

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 7.9% of loans originated and purchased by BANK.

5 Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 9a. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT		Geography: ARIZONA				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2015								
AA:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data <sup>6</sup>			
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>6</sup>	% BANK Loans <sup>****</sup>	% Families <sup>*</sup>	% BANK Loans <sup>****</sup>	% Families <sup>**</sup>	% BANK Loans <sup>****</sup>	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Phoenix-Mesa-Scottsdale AZ MSA	17	77.27	20.93	0.00	17.44	17.65	20.15	17.65	41.48	64.71	6.82	15.11	21.15	56.92
<b>Limited Review:</b>														
Tucson AZ MSA	4	18.18	21.62	0.00	17.84	25.00	19.62	0.00	40.92	75.00	7.53	16.35	20.98	55.14
Lake Havasu City-Kingman AZ MSA	1	4.55	18.38	100.00	19.33	0.00	23.40	0.00	38.89	0.00	8.88	13.61	14.79	62.72

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by BANK.

6 Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 10a. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE				Geography: ARIZONA				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2015						
AA:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*			
	#	% of Total**	% Families***	% BANK Loans****	% Families <sub>7</sub>	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Phoenix-Mesa-Scottsdale AZ MSA	262	82.91	20.93	4.26	17.44	10.85	20.15	13.57	41.48	71.32	7.09	17.19	23.35	52.36
<b>Limited Review:</b>														
Tucson AZ MSA	47	14.87	21.62	4.35	17.84	30.43	19.62	19.57	40.92	45.65	10.98	15.79	22.17	51.06
Lake Havasu City-Kingman AZ MSA	7	2.22	18.38	14.29	19.33	14.29	23.40	28.57	38.89	42.86	6.61	14.29	21.22	57.87

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 1.6% of loans originated and purchased by BANK.

7 Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 11a. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: ARIZONA			Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2015				
AA:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Aggregate Lending Data <sup>1</sup>	
	#	% of Total <sup>**</sup>	% of Businesses <sup>***</sup>	% BANK Loans <sup>****</sup>	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Phoenix-Mesa-Scottsdale AZ MSA	413	86.76	80.34	28.33	45.04	23.24	31.72	88,752	46,296
<b>Limited Review:</b>									
Tucson AZ MSA	60	12.61	80.01	51.67	66.67	10.00	23.33	16,144	8,750
Lake Havasu City-Kingman AZ MSA	3	0.63	76.36	33.33	100.00	0.00	0.00	2,870	1,206

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2015).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 2.75% of small loans to businesses originated and purchased by the bank.

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS		Geography: ARIZONA				Evaluation Period: OCTOBER 30, 2012 TO DECEMBER 31, 2016			
AA:	Prior Period Investments'		Current Period Investments		Total Investments			Unfunded Commitments''	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Tot	#	\$(000's)
<b>Full Review:</b>									
Phoenix-Mesa-Scottsdale AZ MSA	3	2,309	30	5,516	33	7,825	79.46	1	2,059
<b>Limited Review:</b>									
Tucson AZ MSA	2	303	4	1,715	6	2,018	20.49	0	0
Lake Havasu City-Kingman AZ MSA***	0	0	0	0	0	0	0.00	0	0
<b>Statewide:</b>									
AZ Statewide with P/M/F in the AAs	0	0	1	5	1	5	0.05	0	0

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

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

\*\*\* The evaluation period for the Lake Havasu City-Kingman AZ MSA is October 30, 2012 to September 19, 2014.

**Table 15. Distribution of Branch Delivery System and Branch Openings/Closings**

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS Geography: ARIZONA Evaluation Period: OCTOBER 30, 2012 TO DECEMBER 31, 2016																	
AA:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Phoenix-Mesa-Scottsdale AZ MSA	84.98	4	66.67	0.00	50.00	25.00	25.00	1	5	0	-1	0	-3	8.42	24.46	33.25	33.69
<b>Limited Review:</b>																	
Tucson AZ MSA	15.02	2	33.33	0.00	50.00	0.00	50.00	1	1	0	-1	0	+1	7.32	28.83	32.76	30.66
Lake Havasu City-Kingman AZ MSA***	0.00	0	0.00	0.00	0.00	0.00	0.00	0	1	0	0	-1	0	0.00	11.26	82.97	5.77

\*\*\* The Lake Havasu City-Kingman AZ MSA branch closed on September 19, 2014.

## State of California

Table 1. Lending Volume

LENDING VOLUME												
Geography: CALIFORNIA												
Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2015												
AA (2015):	% of Rated Area Loans (#) in MA/AA'	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
San Diego-Carlsbad CA MSA	88.39	567	396,199	19	6,558	0	0	0	0	586	402,757	100.00
<b>Limited Review:</b>												
Riverside-San Bernardino-Ontario CA MSA****	10.10	44	13,478	22	8,871	0	0	1	1,835	67	24,184	0.00
<b>Statewide:</b>												
CA Statewide with P/M/F in the AAs	1.51	0	0	0	0	0	0	10	16,375	10	16,375	0.00
CA Statewide with no P/M/F in the AAs	0.00	0	0	0	0	0	0	5	18,082	5	18,082	0.00

\* Loan Data as of December 31, 2015. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from October 30, 2012 to December 31, 2016.

\*\*\* Deposit Data as of June 30, 2015. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

\*\*\*\* The evaluation period for the Riverside-San Bernardino-Ontario CA MSA is from October 2012 to February 27, 2015. As of June 30, 2014 FDIC Deposit Data, Riverside-San Bernardino-Ontario CA MSA branch deposits represented 47.3 percent of total deposits in California.

**Table 2a. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE		Geography: CALIFORNIA					Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2015							
AA:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income <sup>1</sup>			
	#	% of Total <sup>**</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans <sup>****</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
San Diego-Carlsbad CA MSA	242	92.37	3.31	3.31	14.32	9.50	38.78	19.42	43.59	67.77	3.26	13.81	38.03	44.90
<b>Limited Review:</b>														
Riverside-San Bernardino-Ontario CA MSA	20	7.63	3.48	5.00	21.63	35.00	39.27	30.00	35.62	30.00	3.34	19.15	43.33	34.18

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 3a. Geographic Distribution of Home Improvement Loans**

Geographic Distribution: HOME IMPROVEMENT		Geography: CALIFORNIA						Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2015						
AA:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income <sup>1</sup>			
	#	% of Total <sup>2</sup>	% Owner Occ Units <sup>3</sup>	% BANK Loans <sup>4</sup>	% Owner Occ Units <sup>3</sup>	% BANK Loans	% Owner Occ Units <sup>3</sup>	% BANK Loans	% Owner Occ Units <sup>3</sup>	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
San Diego-Carlsbad CA MSA	18	100.00	3.31	0.00	14.32	0.00	38.78	22.22	43.59	77.78	2.95	13.26	39.31	44.48
<b>Limited Review:</b>														
Riverside-San Bernardino-Ontario CA MSA	0	0.00	3.48	0.00	21.63	0.00	39.27	0.00	35.62	0.00	2.46	15.40	34.91	47.23

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 4a. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE		Geography: CALIFORNIA						Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2015						
AA:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income <sup>1</sup>			
	#	% of Total <sup>2</sup>	% Owner Occ Units <sup>3</sup>	% BANK Loans <sup>4</sup>	% Owner Occ Units <sup>3</sup>	% BANK Loans	% Owner Occ Units <sup>3</sup>	% BANK Loans	% Owner Occ Units <sup>3</sup>	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
San Diego-Carlsbad CA MSA	307	92.75	3.31	1.30	14.32	7.17	38.78	15.96	43.59	75.57	2.61	12.39	38.15	46.85
<b>Limited Review:</b>														
Riverside-San Bernardino-Ontario CA MSA	24	7.25	3.48	0.00	21.63	25.00	39.27	33.33	35.62	41.67	1.93	15.43	38.06	44.59

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 5a. Geographic Distribution of Multifamily Loans**

Geographic Distribution: MULTIFAMILY		Geography: CALIFORNIA						Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2015						
AA:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income <sup>1</sup>			
	#	% of Total <sup>2</sup>	% of MF Units <sup>3</sup>	% BANK Loans <sup>4</sup>	% MF Units <sup>5*</sup>	% BANK Loans	% MF Units <sup>6</sup>	% BANK Loans	% MF Units <sup>7</sup>	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
San Diego-Carlsbad CA MSA	0	0.00	14.62	0.00	26.63	0.00	33.39	0.00	25.36	0.00	27.22	34.60	25.92	12.26
<b>Limited Review:</b>														
Riverside-San Bernardino-Ontario CA MSA	0	0.00	13.78	0.00	38.17	0.00	33.96	0.00	14.09	0.00	14.29	47.62	24.40	13.69

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

\*\*\* Percentage of Multi Family Units is the number of multi family units in a particular geography divided by the number of multi family housing units in the area based on 2010 Census information.

\*\*\*\* Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

**Table 6a. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES				Geography: CALIFORNIA				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2015						
AA:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income*			
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses**	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
San Diego-Carlsbad CA MSA	19	46.34	5.79	0.00	15.55	36.84	35.28	31.58	43.27	31.58	4.82	14.86	34.63	45.68
<b>Limited Review:</b>														
Riverside-San Bernardino-Ontario CA MSA	22	53.66	6.37	0.00	24.79	31.82	35.26	22.73	33.41	45.45	4.46	21.26	36.03	38.25

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2015).

**Table 8a. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE		Geography: CALIFORNIA					Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2015							
AA:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data <sup>1</sup>			
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>8</sup>	% BANK Loans <sup>****</sup>	% Families <sup>*</sup> **	% BANK Loans <sup>****</sup>	% Families <sup>*</sup> **	% BANK Loans <sup>****</sup>	Low	Mod	Mid	Upp
<b>Full Review:</b>														
San Diego-Carlsbad CA MSA	242	92.37	22.36	0.83	17.55	3.31	18.75	12.40	41.34	83.47	1.01	8.01	22.96	68.02
<b>Limited Review:</b>														
Riverside-San Bernardino-Ontario CA MSA	20	7.63	22.60	20.00	17.83	20.00	20.14	25.00	39.44	35.00	7.68	21.49	26.81	44.03

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by BANK.

<sup>8</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 9a. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT		Geography: CALIFORNIA					Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2015							
AA:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data <sup>9</sup>			
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>9</sup>	% BANK Loans <sup>****</sup>	% Families <sup>**</sup>	% BANK Loans <sup>****</sup>	% Families <sup>**</sup>	% BANK Loans <sup>****</sup>	Low	Mod	Mid	Upp
<b>Full Review:</b>														
San Diego-Carlsbad CA MSA	18	100.00	22.36	0.00	17.55	0.00	18.75	11.11	41.34	88.89	11.94	9.98	19.37	58.71
<b>Limited Review:</b>														
Riverside-San Bernardino-Ontario CA MSA	0	0.00	22.60	0.00	17.83	0.00	20.14	0.00	39.44	0.00	6.60	15.62	24.12	53.67

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by BANK.

<sup>9</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 10a. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: CALIFORNIA				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2015									
AA:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*				
	#	% of Total**	% Families***	% BANK Loans****	% Families <sup>10</sup>	% BANK Loans****	% Families*	% BANK Loans****	% Families*	% BANK Loans****	Low	Mod	Mid	Upp	
<b>Full Review:</b>															
San Diego-Carlsbad CA MSA	307	92.75	22.36	2.61	17.55	5.56	18.75	10.78	41.34	81.05	2.84	8.89	20.78	67.50	
<b>Limited Review:</b>															
Riverside-San Bernardino-Ontario CA MSA	24	7.25	22.60	0.00	17.83	54.55	20.14	13.64	39.44	31.82	7.57	15.31	22.65	54.47	

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 0.3% of loans originated and purchased by BANK.

10 Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 11a. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: CALIFORNIA			Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2015				
AA:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Aggregate Lending Data <sup>1</sup>	
	#	% of Total <sup>**</sup>	% of Businesses <sup>***</sup>	% BANK Loans <sup>****</sup>	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
San Diego-Carlsbad CA MSA	19	46.34	80.26	21.05	36.84	15.79	47.37	88,338	46,767
<b>Limited Review:</b>									
Riverside-San Bernardino-Ontario CA MSA	22	53.66	78.59	13.64	18.18	13.64	68.18	36,525	19,523

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2015).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 0.00% of small loans to businesses originated and purchased by the bank.

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS		Geography: CALIFORNIA				Evaluation Period: OCTOBER 30, 2012 TO DECEMBER 31, 2016			
AA:	Prior Period Investments'		Current Period Investments		Total Investments			Unfunded Commitments''	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
San Diego-Carlsbad CA MSA	1	177	6	1,440	7	1,617	41.18	0	0
<b>Limited Review:</b>									
Riverside-San Bernardino-Ontario CA MSA***	0	0	0	0	0	0	0.00	0	0
<b>Statewide:</b>									
Statewide CA with P/M/F in the AAs	0	0	10	5,333	10	5,333	58.82	0	0

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

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

\*\*\* Evaluation period for the Riverside-San-Bernardino-Ontario CA MSA is October 30, 2012 to February 27, 2015.

**Table 15. Distribution of Branch Delivery System and Branch Openings/Closings**

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS Geography: CALIFORNIA																	Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2016			
AA:	Deposits	Branches						Branch Openings/Closings						Population						
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography						
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp			
<b>Full Review:</b>																				
San Diego-Carlsbad CA MSA	100.00	1	100.00	0.00	0.00	0.00	100.00	0	0	0	0	0	0	9.80	21.57	35.24	33.05			
<b>Limited Review:</b>																				
Riverside-San Bernardino-Ontario CA MSA*	0.00	0	0.00	0.00	0.00	0.00	0	0	1	0	0	0	-1	6.77	27.51	37.86	27.56			

\* The Riverside-San Bernardino-Ontario CA MSA branch closed on February 27, 2015. As of June 30, 2014 FDIC Deposit Data, Riverside-San Bernardino-Ontario CA MSA branch deposits represented 47.3 percent of total deposits in California.

## State of Colorado

Table 1. Lending Volume

LENDING VOLUME		Geography: COLORADO						Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013				
AA (2015):	% of Rated Area Loans (#) in MA/AA'	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
<b>Full Review:</b>												
Denver-Aurora-Lakewood CO MSA	86.50	387	134,142	45	7,490	0	0	4	15,215	436	151,847	86.56
<b>Limited Review</b>												
Boulder CO MSA****	13.50	60	28,050	8	1,556	0	0	1	1,100	69	30,706	13.44
<b>Statewide:</b>												
CO Statewide with no P/M/F in the AAs	0.00	0	0	0	0	0	0	3	8,813	3	8,813	0.00

\* Loan Data as of December 31, 2013. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from October 30, 2012 to December 31, 2016 for the Denver-Aurora-Lakewood CO MSA. The evaluation period for Community Development Loans is from October 30, 2012 to October 24, 2014 for the Boulder CO MSA.

\*\*\* Deposit Data as of December 31, 2013. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

\*\*\*\* The evaluation period for the Boulder CO MSA is January 1, 2012 to October 24, 2014.

**Table 2a. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE		Geography: COLORADO						Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013						
AA:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income <sup>1</sup>			
	#	% of Total <sup>**</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans <sup>****</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Denver-Aurora-Lakewood CO MSA	141	86.50	6.34	1.42	16.10	10.64	31.26	30.50	46.29	57.45	5.51	14.92	28.41	51.16
<b>Limited Review:</b>														
Boulder CO MSA	22	13.50	2.83	0.00	14.95	18.18	45.76	40.91	36.45	40.91	3.55	17.42	44.98	34.05

\* Based on 2013 Peer Mortgage Data -- US and PR

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 3a. Geographic Distribution of Home Improvement Loans**

Geographic Distribution: HOME IMPROVEMENT		Geography: COLORADO						Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013						
AA:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income <sup>1</sup>			
	#	% of Total <sup>2</sup>	% Owner Occ Units <sup>3</sup>	% BANK Loans <sup>4</sup>	% Owner Occ Units <sup>3</sup>	% BANK Loans	% Owner Occ Units <sup>3</sup>	% BANK Loans	% Owner Occ Units <sup>3</sup>	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Denver-Aurora-Lakewood CO MSA	7	87.50	6.34	0.00	16.10	14.29	31.26	57.14	46.29	28.57	5.10	17.30	29.32	48.28
<b>Limited Review:</b>														
Boulder CO MSA	1	12.50	2.83	0.00	14.95	0.00	45.76	100.00	36.45	0.00	0.90	15.32	45.95	37.84

\* Based on 2013 Peer Mortgage Data -- US and PR

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 4a. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE			Geography: COLORADO				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013					Aggregate HMDA Lending (%) by Tract Income <sup>1</sup>			
AA:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Low	Mod	Mid	Upp	
	#	% of Total <sup>2</sup>	% Owner Occ Units <sup>3</sup>	% BANK Loans <sup>4</sup>	% Owner Occ Units <sup>3</sup>	% BANK Loans	% Owner Occ Units <sup>3</sup>	% BANK Loans	% Owner Occ Units <sup>3</sup>	% BANK Loans					
<b>Full Review:</b>															
Denver-Aurora-Lakewood CO MSA	235	86.40	6.34	2.13	16.10	4.68	31.26	19.15	46.29	74.04	4.66	14.27	28.99	52.08	
<b>Limited Review:</b>															
Boulder CO MSA	37	13.60	2.83	0.00	14.95	5.41	45.76	51.35	36.45	43.24	3.21	15.96	48.29	32.54	

\* Based on 2013 Peer Mortgage Data -- US and PR

\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 5a. Geographic Distribution of Multifamily Loans**

Geographic Distribution: MULTIFAMILY		Geography: COLORADO						Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013						
AA:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income <sup>1</sup>			
	#	% of Total <sup>2</sup>	% of MF Units <sup>3</sup>	% BANK Loans <sup>4</sup>	% MF Units <sup>2*</sup>	% BANK Loans	% MF Units <sup>3</sup>	% BANK Loans	% MF Units <sup>3</sup>	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Denver-Aurora-Lakewood CO MSA	4	100.00	17.62	0.00	25.53	0.00	36.87	50.00	19.98	50.00	17.37	27.45	43.42	11.76
<b>Limited Review:</b>														
Boulder CO MSA	0	0.00	8.66	0.00	30.19	0.00	46.97	0.00	14.18	0.00	15.52	50.00	24.14	10.34

\* Based on 2013 Peer Mortgage Data -- US and PR

\*\* Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

\*\*\* Percentage of Multi Family Units is the number of multi family units in a particular geography divided by the number of multi family housing units in the area based on 2010 Census information.

\*\*\*\* Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

**Table 6a. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES		Geography: COLORADO		Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013										
AA:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income <sup>1</sup>			
	#	% of Total <sup>2</sup>	% of Business <sup>3</sup>	% BANK Loans	% of Businesses* <sup>2</sup>	% BANK Loans	% of Business <sup>3</sup>	% BANK Loans	% of Business <sup>3</sup>	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Denver-Aurora-Lakewood CO MSA	45	84.91	7.56	6.67	16.34	31.11	28.34	13.33	47.29	48.89	8.42	17.21	26.27	48.10
<b>Limited Review:</b>														
Boulder CO MSA	8	15.09	3.80	0.00	22.77	0.00	42.12	75.00	31.32	25.00	3.27	22.10	42.22	32.40

\* Based on 2013 Peer Small Business Data -- US and PR

<sup>2</sup> Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.<sup>3</sup> Source Data - Dun and Bradstreet (2013).

**Table 8a. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE		Geography: COLORADO						Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013						
AA:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data <sup>1</sup>			
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>11</sup>	% BANK Loans <sup>****</sup>	% Families <sup>**</sup>	% BANK Loans <sup>****</sup>	% Families <sup>**</sup>	% BANK Loans <sup>****</sup>	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Denver-Aurora-Lakewood CO MSA	141	86.50	20.72	8.51	15.93	18.44	19.28	16.31	44.07	56.74	6.63	20.35	25.01	48.01
<b>Limited Review:</b>														
Boulder CO MSA	22	13.50	3.72	0.00	17.09	0.00	47.35	0.00	31.85	0.00	0.00	12.90	25.19	44.08

\* Based on 2013 Peer Mortgage Data -- US and PR

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by BANK.

11 Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 9a. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT			Geography: COLORADO				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013				Aggregate Lending Data <sup>1</sup>			
AA:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Low	Mod	Mid	Upp
	#	% of Total <sup>2</sup>	% Families <sup>3</sup>	% BANK Loans <sup>4</sup>	% Families <sub>12</sub>	% BANK Loans <sup>4</sup>	% Families <sup>*</sup>	% BANK Loans <sup>4</sup>	% Families <sup>*</sup>	% BANK Loans <sup>4</sup>				
<b>Full Review:</b>														
Denver-Aurora-Lakewood CO MSA	7	87.50	20.72	0.00	15.93	14.29	19.28	14.29	44.07	71.43	7.58	19.47	23.46	49.49
<b>Limited Review:</b>														
Boulder CO MSA	1	12.50	22.09	0.00	16.59	100.00	20.06	0.00	41.26	0.00	11.76	20.76	23.88	43.60

\* Based on 2013 Peer Mortgage Data -- US and PR

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by BANK.

12 Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 10a. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE				Geography: COLORADO				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013						
AA:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data <sup>1</sup>			
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>13</sup>	% BANK Loans <sup>****</sup>	% Families <sup>*</sup>	% BANK Loans <sup>****</sup>	% Families <sup>*</sup>	% BANK Loans <sup>****</sup>	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Denver-Aurora-Lakewood CO MSA	235	86.40	20.72	3.03	15.93	15.15	19.28	22.08	44.07	59.74	7.41	17.91	25.00	49.68
<b>Limited Review:</b>														
Boulder CO MSA	37	13.60	22.09	2.70	16.59	16.22	20.06	13.51	41.26	67.57	11.63	20.19	27.09	41.09

\* Based on 2013 Peer Mortgage Data -- US and PR

\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 1.7% of loans originated and purchased by BANK.

13 Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 11a. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES			Geography: COLORADO		Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013				
AA:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Aggregate Lending Data*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Denver-Aurora-Lakewood CO MSA - 2013	45	84.91	71.80	53.33	48.89	37.78	13.33	37,445	19,238
<b>Limited Review:</b>									
Boulder CO MSA	8	15.09	71.91	37.50	62.50	12.50	25.00	10,446	5,015

\* Based on 2013 Peer Small Business Data -- US and PR

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2013).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 4.44% of small loans to businesses originated and purchased by the bank.

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS		Geography: COLORADO				Evaluation Period: OCTOBER 30, 2012 TO DECEMBER 31, 2016			
AA:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Denver-Aurora-Lakewood CO MSA	3	1,174	12	2,124	15	3,298	93.75	0	0
<b>Limited Review:</b>									
Boulder CO MSA***	1	64	0	0	1	64	6.25	0	0

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

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

\*\*\* The evaluation period for the Boulder CO MSA is October 30, 2012 to October 24, 2014.

**Table 15. Distribution of Branch Delivery System and Branch Openings/Closings**

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																	Geography: COLORADO				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2016			
AA:	Deposits	Branches						Branch Openings/Closings						Population										
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography										
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp							
<b>Full Review:</b>																								
Denver-Aurora-Lakewood CO MSA	86.36	1	100.00	0.00	100.00	0.00	0.00	1	6	0	0	-1	-4	11.16	19.68	29.58	39.50							
<b>Limited Review:</b>																								
Boulder CO MSA*	13.44	0	0.00	0.00	0.00	0.00	0.00	0	1	0	0	-1	0	6.89	18.39	45.80	28.91							

\* The Boulder CO MSA branch closed on October 24, 2014

## State of Florida

Table 1. Lending Volume

LENDING VOLUME		Geography: FLORIDA						Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2015				
AA (2015):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
Naples-Immokalee-Marco Island FL MSA	55.20	1,039	405,910	59	14,877	0	0	4	3,684	1,102	424,471	75.99
<b>Limited Review:</b>												
Cape Coral-Fort Myers FL MSA****	38.52	740	247,794	26	6,698	0	0	3	6,790	769	261,282	13.80
Tampa-St Petersburg-Clearwater FL MSA	6.28	75	38,204	50	13,500	0	0	2	3,040	125	54,744	10.21
<b>Statewide</b>												
Florida Statewide with no P/M/F in the AAs	0.00							1	1,054	1	1,054	0.00

\* Loan Data as of December 31, 2015. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from October 30, 2012 to December 31, 2016 for the Naples-Immokalee-Marco Island FL MSA and the Tampa-St Petersburg Clearwater FL MSA. The evaluation period for Community Development Loans is from October 30, 2012 to August 21, 2015 for the Cape Coral-Fort Myers FL MSA..

\*\*\* Deposit Data as of June 30, 2015. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

\*\*\*\*The evaluation period for the Cape Coral-Fort Myers FL MSA is January 01, 2012 to August 21, 2015.

**Table 2a. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE		Geography: FLORIDA						Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2015						
AA:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income <sup>1</sup>			
	#	% of Total <sup>**</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans <sup>****</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Naples-Immokalee-Marco Island FL MSA	824	56.60	2.40	10.32	16.42	12.38	46.03	36.77	35.15	40.53	2.16	15.01	51.80	31.03
<b>Limited Review:</b>														
Cape Coral-Fort Myers FL MSA	573	39.35	1.32	0.35	14.17	4.71	55.62	32.81	28.89	62.13	1.21	12.18	54.61	32.01
Tampa-St Petersburg-Clearwater FL MSA	59	4.05	3.23	3.39	18.89	8.47	36.80	42.37	41.09	45.76	1.88	13.77	35.99	48.36

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 3a. Geographic Distribution of Home Improvement Loans**

Geographic Distribution: HOME IMPROVEMENT		Geography: FLORIDA								Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2015				
AA:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income <sup>1</sup>			
	#	% of Total <sup>**</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans <sup>****</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Naples-Immokalee-Marco Island FL MSA	6	66.67	2.40	0.00	16.42	0.00	46.03	33.33	35.15	66.67	0.85	15.38	59.26	24.50
<b>Limited Review:</b>														
Cape Coral-Fort Myers FL MSA	2	22.22	1.32	0.00	14.17	0.00	55.62	0.00	28.89	100.00	1.21	10.13	60.55	28.11
Tampa-St Petersburg-Clearwater FL MSA	1	11.11	3.23	0.00	18.89	0.00	36.80	0.00	41.09	100.00	3.07	14.58	32.67	49.68

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 4a. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE			Geography: FLORIDA				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2015							
AA:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income <sup>1</sup>			
	#	% of Total <sup>2</sup>	% Owner Occ Units <sup>3</sup>	% BANK Loans <sup>4</sup>	% Owner Occ Units <sup>3</sup>	% BANK Loans	% Owner Occ Units <sup>3</sup>	% BANK Loans	% Owner Occ Units <sup>3</sup>	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Naples-Immokalee-Marco Island FL MSA	208	54.74	2.40	0.48	16.42	6.25	46.03	32.21	35.15	61.06	1.35	13.01	51.64	34.01
<b>Limited Review:</b>														
Cape Coral-Fort Myers FL MSA	162	42.63	1.32	0.00	14.17	1.23	55.62	27.16	28.89	71.60	0.39	9.20	56.02	34.39
Tampa-St Petersburg-Clearwater FL MSA	10	2.63	3.23	0.00	18.89	10.00	36.80	20.00	41.09	70.00	1.83	11.53	33.01	53.63

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 5a. Geographic Distribution of Multifamily Loans**

Geographic Distribution: MULTIFAMILY		Geography: FLORIDA						Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2015						
AA:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income <sup>1</sup>			
	#	% of Total <sup>2</sup>	% of MF Units <sup>3</sup>	% BANK Loans <sup>4</sup>	% MF Units <sup>2*</sup>	% BANK Loans	% MF Units <sup>3</sup>	% BANK Loans	% MF Units <sup>3</sup>	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Naples-Immokalee-Marco Island FL MSA	1	14.29	3.02	0.00	13.85	0.00	39.45	100.00	43.68	0.00	0.00	45.83	20.83	33.33
<b>Limited Review:</b>														
Cape Coral-Fort Myers FL MSA	1	14.29	7.80	100.00	15.02	0.00	39.74	0.00	37.44	0.00	6.82	29.55	36.36	27.27
Tampa-St Petersburg-Clearwater FL MSA	5	71.42	7.00	40.00	32.09	0.00	35.17	60.00	25.75	0.00	10.99	26.37	38.46	24.18

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

\*\*\* Percentage of Multi Family Units is the number of multi family units in a particular geography divided by the number of multi family housing units in the area based on 2010 Census information.

\*\*\*\* Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

**Table 6a. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES				Geography: FLORIDA				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2015						
AA:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income <sup>1</sup>			
	#	% of Total <sup>**</sup>	% of Businesses <sup>***</sup>	% BANK Loans	% of Businesses* **	% BANK Loans	% of Businesses <sup>***</sup>	% BANK Loans	% of Businesses <sup>***</sup>	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Naples-Immokalee-Marco Island FL MSA	59	43.70	2.68	0.00	13.33	8.47	42.64	42.37	41.35	49.15	2.09	10.66	41.85	45.39
<b>Limited Review:</b>														
Cape Coral-Fort Myers FL MSA	26	19.26	3.44	0.00	14.77	26.92	51.80	50.00	29.86	23.08	2.99	12.67	50.31	34.03
Tampa-St Petersburg-Clearwater FL MSA	50	37.04	4.64	6.00	20.33	12.00	32.82	50.00	41.88	32.00	5.23	18.82	32.98	42.97

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2015).

**Table 8a. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE		Geography: FLORIDA				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2015									
AA:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data <sup>1</sup>				
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>14</sup>	% BANK Loans <sup>****</sup>	% Families <sup>**</sup>	% BANK Loans <sup>****</sup>	% Families <sup>**</sup>	% BANK Loans <sup>****</sup>	Low	Mod	Mid	Upp	
<b>Full Review:</b>															
Naples-Immokalee-Marco Island FL MSA	824	56.60	21.14	25.88	18.31	7.05	19.04	5.10	41.50	61.97	2.89	13.37	15.93	67.81	
<b>Limited Review:</b>															
Cape Coral-Fort Myers FL MSA	573	39.35	18.96	1.22	18.96	7.67	21.42	11.32	40.66	79.79	3.99	17.74	21.15	57.12	
Tampa-St Petersburg-Clearwater FL MSA	59	4.05	20.82	11.86	17.28	37.29	18.46	6.78	43.44	44.07	4.57	18.26	23.38	53.78	

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 0.1% of loans originated and purchased by BANK.

<sup>14</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 9a. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT		Geography: FLORIDA						Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2015						
AA:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data <sup>1</sup>			
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>15</sup>	% BANK Loans <sup>****</sup>	% Families <sup>*</sup>	% BANK Loans <sup>****</sup>	% Families <sup>*</sup>	% BANK Loans <sup>****</sup>	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Naples-Immokalee-Marco Island FL MSA	6	66.67	21.14	0.00	18.31	0.00	19.04	0.00	41.50	100.00	5.79	17.38	25.00	51.83
<b>Limited Review:</b>														
Cape Coral-Fort Myers FL MSA	2	22.22	18.96	0.00	18.96	0.00	21.42	0.00	40.66	100.00	7.34	17.85	21.52	53.29
Tampa-St Petersburg-Clearwater FL MSA	1	11.11	20.82	0.00	17.28	0.00	18.46	0.00	43.44	100.00	9.62	14.79	17.22	58.37

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 11.1% of loans originated and purchased by BANK.  
15 Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 10a. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE				Geography: FLORIDA				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2015						
AA:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data <sup>1</sup>			
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>16</sup>	% BANK Loans <sup>****</sup>	% Families <sup>*</sup>	% BANK Loans <sup>****</sup>	% Families <sup>*</sup>	% BANK Loans <sup>****</sup>	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Naples-Immokalee-Marco Island FL MSA	208	54.74	21.14	1.44	18.31	5.29	19.04	12.02	41.50	81.25	5.14	13.59	19.48	61.79
<b>Limited Review:</b>														
Cape Coral-Fort Myers FL MSA	162	42.63	18.96	0.00	18.96	3.73	21.42	9.94	40.66	86.34	5.99	16.40	21.38	56.23
Tampa-St Petersburg-Clearwater FL MSA	10	2.63	20.82	22.22	17.28	0.00	18.46	0.00	43.44	77.78	5.69	12.32	20.52	61.47

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 0.5% of loans originated and purchased by BANK.

16 Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 11a. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: FLORIDA			Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2015				
AA:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Aggregate Lending Data*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Naples-Immokalee-Marco Island FL MSA	59	43.70	81.51	33.90	42.37	22.03	35.59	11,184	6,059
<b>Limited Review:</b>									
Cape Coral-Fort Myers FL MSA	26	19.26	82.35	42.31	26.92	30.77	42.31	16,088	8,764
Tampa-St Petersburg-Clearwater FL MSA	50	37.04	81.53	32.00	44.00	26.00	30.00	28,197	15,135

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2015).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 3.70% of small loans to businesses originated and purchased by the bank.

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS		Geography: FLORIDA				Evaluation Period: OCTOBER 30, 2012 TO DECEMBER 31, 2016			
AA:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Naples-Immokalee-Marco Island FL MSA	0	0	13	2,156	13	2,156	46.56	0	0
<b>Limited Review:</b>									
Cape Coral-Fort Myers FL MSA***	0	0	3	2,076	3	2,076	44.83	0	0
Tampa-St Petersburg-Clearwater FL MSA	0	0	3	374	3	374	8.07	0	0
<b>Statewide</b>									
Florida Statewide with no P/M/F in the AAs	0	0	1	25	1	25	0.54	0	0

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

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

\*\*\* The evaluation period for the Cape Coral-fort Myers FL MSA is October 30, 2012 to August 21, 2015.

**Table 15. Distribution of Branch Delivery System and Branch Openings/Closings**

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS <b>Geography:</b> FLORIDA <b>Evaluation Period:</b> OCTOBER 30, 2012 TO DECEMBER 31, 2016																	
AA:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Naples-Immokalee-Marco Island FL MSA	75.99	2	66.67	0.00	0.00	0.00	100.00	0	0	0	0	0	0	9.05	20.27	43.40	27.27
<b>Limited Review:</b>																	
Cape Coral-Fort Myers FL MSA*	10.21	0	0.00	0.00	0.00	0.00	0.00	0	1	0	0	-1	0	3.49	19.26	52.98	24.27
Tampa-St Petersburg-Clearwater FL MSA	13.80	1	33.33	0.00	100.00	0.00	0.00	1	1	0	1	0	0	6.12	23.79	34.78	34.89

\* The Cape Coral-Fort Myers FI MSA branch closed on August 21, 2015.

**State of Hawaii**

**Table 1. Lending Volume**

LENDING VOLUME		Geography: HAWAII						Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2015				
AA (2015):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
Urban Honolulu HI MSA	100.00	263	120,700	0	0	0	0	0	0	263	120,700	100.00

\* Loan Data as of December 31, 2015. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from October 30, 2012 to December 31, 2016.

\*\*\* Deposit Data as of June 30, 2015. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

**Table 2a. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE		Geography: HAWAII					Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2015							
AA:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income <sup>1</sup>			
	#	% of Total <sup>2</sup>	% Owner Occ Units <sup>3</sup>	% BANK Loans <sup>4</sup>	% Owner Occ Units <sup>3</sup>	% BANK Loans	% Owner Occ Units <sup>3</sup>	% BANK Loans	% Owner Occ Units <sup>3</sup>	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Urban Honolulu HI MSA	146	100.00	1.13	1.37	13.21	32.19	46.57	34.25	39.09	32.19	1.71	13.29	56.84	28.15

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 3a. Geographic Distribution of Home Improvement Loans**

Geographic Distribution: HOME IMPROVEMENT		Geography: HAWAII						Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2015						
AA:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income <sup>1</sup>			
	#	% of Total <sup>**</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans <sup>****</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Urban Honolulu HI MSA	2	100.00	1.13	0.00	13.21	0.00	46.57	0.00	39.09	100.00	0.36	6.73	50.91	42.00

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 4a. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE			Geography: HAWAII				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2015							
AA:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income <sup>1</sup>			
	#	% of Total <sup>2</sup>	% Owner Occ Units <sup>3</sup>	% BANK Loans <sup>4</sup>	% Owner Occ Units <sup>3</sup>	% BANK Loans	% Owner Occ Units <sup>3</sup>	% BANK Loans	% Owner Occ Units <sup>3</sup>	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Urban Honolulu HI MSA	115	100.00	1.13	1.74	13.21	9.57	46.57	44.35	39.09	44.35	0.62	9.68	50.57	39.13

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 5a. Geographic Distribution of Multifamily Loans**

Geographic Distribution: MULTIFAMILY		Geography: HAWAII						Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2015						
AA:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income <sup>4</sup>			
	#	% of Total <sup>**</sup>	% of MF Units <sup>***</sup>	% BANK Loans <sup>****</sup>	% MF Units <sup>**</sup> *	% BANK Loans	% MF Units <sup>***</sup>	% BANK Loans	% MF Units <sup>***</sup>	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Urban Honolulu HI MSA	0	0.00	7.40	0.00	41.63	0.00	42.71	0.00	8.26	0.00	5.47	64.06	26.56	3.91

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

\*\*\* Percentage of Multi Family Units is the number of multi family units in a particular geography divided by the number of multi family housing units in the area based on 2010 Census information.

\*\*\*\* Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

**Table 6a. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES		Geography: HAWAII				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2015								
AA:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income <sup>1</sup>			
	#	% of Total <sup>**</sup>	% of Businesses <sup>***</sup>	% BANK Loans	% of Businesses* <sup>**</sup>	% BANK Loans	% of Businesses <sup>***</sup>	% BANK Loans	% of Businesses <sup>***</sup>	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Urban Honolulu HI MSA	0	0.00	3.78	0.00	34.86	0.00	34.58	0.00	23.96	0.00	2.86	29.59	38.76	28.79

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2015).

**Table 8a. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE		Geography: HAWAII				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2015								
AA:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data <sup>1</sup>			
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>17</sup>	% BANK Loans <sup>****</sup>	% Families <sup>*</sup>	% BANK Loans <sup>****</sup>	% Families <sup>*</sup>	% BANK Loans <sup>****</sup>	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Urban Honolulu HI MSA	146	100.00	19.82	3.42	18.23	25.34	22.77	23.97	39.17	47.26	2.93	12.92	32.10	52.06

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by BANK.

17 Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 9a. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT		Geography: HAWAII				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2015								
AA:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data <sup>1</sup>			
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>18</sup>	% BANK Loans <sup>****</sup>	% Families <sup>*</sup>	% BANK Loans <sup>****</sup>	% Families <sup>*</sup>	% BANK Loans <sup>****</sup>	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Urban Honolulu HI MSA	2	100.00	19.82	0.00	18.23	0.00	22.77	100.00	39.17	0.00	9.08	13.16	26.68	51.08

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by BANK.

18 Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 10a. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE				Geography: HAWAII				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2015						
AA:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data <sup>1</sup>			
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>19</sup>	% BANK Loans <sup>****</sup>	% Families <sup>*</sup>	% BANK Loans <sup>****</sup>	% Families <sup>*</sup>	% BANK Loans <sup>****</sup>	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Urban Honolulu HI MSA	115	100.00	19.82	3.54	18.23	10.62	22.77	30.09	39.17	55.75	4.58	14.91	29.55	50.96

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 1.7% of loans originated and purchased by BANK.

19 Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 11a. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: HAWAII			Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2015				
AA:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Aggregate Lending Data <sup>1</sup>	
	#	% of Total <sup>**</sup>	% of Businesses <sup>***</sup>	% BANK Loans <sup>****</sup>	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Urban Honolulu HI MSA	0	0.00	73.02	0.00	0.00	0.00	0.00	20,479	11,020

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2015).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 0.00% of small loans to businesses originated and purchased by the bank.

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS		Geography: HAWAII				Evaluation Period: OCTOBER 30, 2012 TO DECEMBER 31, 2016			
AA:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Urban Honolulu HI MSA	0	0	1	2,805	1	2,805	100.0	1	2,195

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

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

**Table 15. Distribution of Branch Delivery System and Branch Openings/Closings**

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS Geography: HAWAII Evaluation Period: OCTOBER 30, 2012 TO DECEMBER 31, 2016																	
AA:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Urban Honolulu HI MSA	100.0	1	100.0	0.00	0.00	100.0	0.00	0	0	0	0	0	0	3.36	23.21	45.34	28.01

**State of Nebraska**

**Table 1. Lending Volume**

LENDING VOLUME		Geography: NEBRASKA						Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2015				
AA (2015):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
Omaha-Council Bluffs NE IA MMSA	58.49	1,868	377,776	522	112,550	0	0	31	86,812	2,421	577,138	98.65
<b>Limited Review:</b>												
Lincoln NE MSA	41.51	1,657	240,373	59	19,898	0	0	2	40,000	1,718	300,271	1.35
<b>Statewide</b>												
NE Statewide with no P/M/F in the AAs								2	5,816	2	5,816	

\* Loan Data as of December 31, 2015. Rated area refers to either state or multi-state MA rating area.  
 \*\* The evaluation period for Community Development Loans is from October 30, 2012 to December 31, 2016.  
 \*\*\* Deposit Data as of June 30, 2015. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

**Table 2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE		Geography: NEBRASKA					Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2015							
AA:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income <sup>6</sup>			
	#	% of Total <sup>**</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans <sup>****</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Omaha-Council Bluffs NE IA MMSA	515	49.95	6.78	11.46	15.98	12.62	39.23	31.46	38.01	44.47	3.17	12.09	39.73	45.00
<b>Limited Review:</b>														
Lincoln NE MSA	516	50.05	4.96	4.26	14.03	15.50	40.58	41.67	40.43	38.57	3.06	12.37	42.26	42.31

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 3. Geographic Distribution of Home Improvement Loans**

Geographic Distribution: HOME IMPROVEMENT			Geography: NEBRASKA				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2015							
AA:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income <sup>1</sup>			
	#	% of Total <sup>**</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans <sup>****</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Omaha-Council Bluffs NE IA MMSA	51	75.00	6.78	3.92	15.98	21.57	39.23	33.33	38.01	41.18	5.50	14.88	36.08	43.54
<b>Limited Review:</b>														
Lincoln NE MSA	17	25.00	4.96	0.00	14.03	29.41	40.58	29.41	40.43	41.18	3.97	10.53	38.66	46.84

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 4. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE			Geography: NEBRASKA				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2015					Aggregate HMDA Lending (%) by Tract Income <sup>1</sup>			
AA:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Low	Mod	Mid	Upp	
	#	% of Total <sup>2</sup>	% Owner Occ Units <sup>3</sup>	% BANK Loans <sup>4</sup>	% Owner Occ Units <sup>3</sup>	% BANK Loans	% Owner Occ Units <sup>3</sup>	% BANK Loans	% Owner Occ Units <sup>3</sup>	% BANK Loans					
<b>Full Review:</b>															
Omaha-Council Bluffs NE IA MMSA	1,283	53.50	6.78	2.03	15.98	6.63	39.23	30.71	38.01	60.64	3.24	10.14	35.97	50.65	
<b>Limited Review:</b>															
Lincoln NE MSA	1,115	46.50	4.96	1.52	14.03	8.43	40.58	34.71	40.43	55.34	3.33	10.58	37.51	48.57	

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 5. Geographic Distribution of Multifamily Loans**

Geographic Distribution: MULTIFAMILY		Geography: NEBRASKA						Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2015						
AA:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income <sup>1</sup>			
	#	% of Total <sup>2</sup>	% of MF Units <sup>3</sup>	% BANK Loans <sup>4</sup>	% MF Units <sup>2*</sup>	% BANK Loans	% MF Units <sup>3</sup>	% BANK Loans	% MF Units <sup>3</sup>	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Omaha-Council Bluffs NE IA MMSA	19	67.86	13.24	15.79	29.25	63.16	39.82	15.79	17.69	5.26	22.06	51.47	19.12	7.35
<b>Limited Review:</b>														
Lincoln NE MSA	9	32.14	24.90	44.44	28.17	44.44	31.76	11.11	15.17	0.00	55.45	17.82	23.76	2.97

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

\*\*\* Percentage of Multi Family Units is the number of multi family units in a particular geography divided by the number of multi family housing units in the area based on 2010 Census information.

\*\*\*\* Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

**Table 6. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES		Geography: NEBRASKA						Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2015							
AA:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income <sup>1</sup>				
	#	% of Total <sup>2</sup>	% of Business <sup>3</sup>	% BANK Loans	% of Businesses* <sup>2</sup>	% BANK Loans	% of Business <sup>3</sup>	% BANK Loans	% of Business <sup>3</sup>	% BANK Loans	Low	Mod	Mid	Upp	
<b>Full Review:</b>															
Omaha-Council Bluffs NE IA MMSA	522	89.85	7.08	10.15	17.13	17.43	40.01	50.19	35.23	22.22	6.48	14.57	40.55	38.41	
<b>Limited Review:</b>															
Lincoln NE MSA	59	10.15	7.67	3.39	22.77	37.29	32.27	33.90	36.82	25.42	6.02	20.34	31.50	42.14	

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2015).

**Table 8. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE		Geography: NEBRASKA						Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2015						
AA:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data <sup>1</sup>			
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>20</sup>	% BANK Loans <sup>****</sup>	% Families <sup>*</sup>	% BANK Loans <sup>****</sup>	% Families <sup>*</sup>	% BANK Loans <sup>****</sup>	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Omaha-Council Bluffs NE IA MMSA	515	49.95	20.47	15.18	16.80	22.47	22.10	15.59	40.63	46.76	10.63	23.90	25.89	39.58
<b>Limited Review:</b>														
Lincoln NE MSA	516	50.05	19.40	19.34	18.18	30.86	23.30	19.92	39.12	29.88	11.27	24.75	27.07	36.91

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 2.4% of loans originated and purchased by BANK.

20 Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 9. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT		Geography: NEBRASKA						Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2015						
AA:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data <sup>1</sup>			
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>21</sup>	% BANK Loans <sup>****</sup>	% Families <sup>*</sup>	% BANK Loans <sup>****</sup>	% Families <sup>*</sup>	% BANK Loans <sup>****</sup>	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Omaha-Council Bluffs NE IA MMSA	51	75.00	20.47	4.08	16.80	14.29	22.10	16.33	40.63	65.31	10.93	17.59	23.62	47.87
<b>Limited Review:</b>														
Lincoln NE MSA	17	25.00	19.40	5.88	18.18	11.76	23.30	29.41	39.12	52.94	8.18	20.91	27.01	43.90

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 2.9% of loans originated and purchased by BANK.

21 Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 10. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE			Geography: NEBRASKA				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2015							
AA:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data <sup>1</sup>			
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>22</sup>	% BANK Loans <sup>****</sup>	% Families <sup>*</sup>	% BANK Loans <sup>****</sup>	% Families <sup>*</sup>	% BANK Loans <sup>****</sup>	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Omaha-Council Bluffs NE IA MMSA	1,283	53.50	20.47	4.55	16.80	10.83	22.10	23.00	40.63	61.62	7.16	17.23	24.54	51.06
<b>Limited Review:</b>														
Lincoln NE MSA	1,115	46.50	19.40	6.32	18.18	18.50	23.30	23.74	39.12	51.44	7.89	17.42	28.25	46.44

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 0.7% of loans originated and purchased by BANK.

22 Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 11. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: NEBRASKA			Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2015				
AA:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Aggregate Lending Data*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Omaha-Council Bluffs NE IA MMSA	522	89.85	76.07	35.44	47.70	26.82	25.48	11,700	5,556
<b>Limited Review:</b>									
Lincoln NE MSA	59	10.15	77.36	33.90	25.42	30.51	44.07	4,922	2,494

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2015).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 6.02% of small loans to businesses originated and purchased by the bank.

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS		Geography: NEBRASKA				Evaluation Period: OCTOBER 30, 2012 TO DECEMBER 31, 2016			
AA:	Prior Period Investments'		Current Period Investments		Total Investments			Unfunded Commitments''	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Omaha-Council Bluffs NE IA MMSA	2	783	270	18,380	272	19,163	79.58	2	754
<b>Limited Review:</b>									
Lincoln NE MSA	1	266	10	2,382	11	2,648	11.00	0	0
<b>Statewide</b>									
NE Statewide with P/M/F in the AAs	1	72	0	0	1	72	0.30	0	0
NE Statewide with no P/M/F in the AAs	0	0	14	2,198	14	2,198	9.12	0	0

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

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

**Table 15. Distribution of Branch Delivery System and Branch Openings/Closings**

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																	Geography: NEBRASKA				Evaluation Period: OCTOBER 30, 2012 TO DECEMBER 31, 2016			
AA:	Deposits	Branches						Branch Openings/Closings						Population										
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography										
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp							
<b>Full Review:</b>																								
Omaha-Council Bluffs NE IA MMSA	98.65	5	83.33	20.00	0.00	60.00	20.00	0	0	0	0	0	0	10.52	19.71	36.07	33.31							
<b>Limited Review:</b>																								
Lincoln NE MSA	1.35	1	16.67	0.00	100.00	0.00	0.00	1	2	0	0	0	-1	11.91	18.93	36.83	31.79							

State of Nevada

Table 1. Lending Volume

LENDING VOLUME		Geography: NEVADA						Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2015				
AA (2015):	% of Rated Area Loans (#) in MA/AA'	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
Las Vegas-Henderson-Paradise NV MSA	38.41	240	145,610	108	26,689	0	0	4	21,370	348	172,299	64.95
Reno NV MSA	60.16	126	40,188	419	31,197	0	0	1	75	545	71,385	22.84
<b>Limited Review:</b>												
Carson City NV MSA	1.43	4	356	9	2,235	0	0	0	0	13	2,591	12.22

\* Loan Data as of December 31, 2015. Rated area refers to either state or multi-state MA rating area.  
 \*\* The evaluation period for Community Development Loans is from October 31, 2012 to December 31, 2016.  
 \*\*\* Deposit Data as of June 30, 2015. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

**Table 2a. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE		Geography: NEVADA					Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2015							
AA:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income <sup>1</sup>			
	#	% of Total <sup>2</sup>	% Owner Occ Units <sup>3</sup>	% BANK Loans <sup>4</sup>	% Owner Occ Units <sup>3</sup>	% BANK Loans	% Owner Occ Units <sup>3</sup>	% BANK Loans	% Owner Occ Units <sup>3</sup>	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Las Vegas-Henderson-Paradise NV MSA	151	64.26	1.74	1.32	15.53	20.53	45.66	22.52	37.07	55.63	0.96	9.45	46.02	43.58
Reno NV MSA	81	34.47	3.53	2.47	15.70	34.57	36.70	27.16	44.07	35.80	2.17	11.55	38.32	47.96
<b>Limited Review:</b>														
Carson City NV MSA	3	1.27	0.00	0.00	16.96	0.00	71.80	100.00	11.25	0.00	0.00	17.55	75.59	6.86

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 3a. Geographic Distribution of Home Improvement Loans**

Geographic Distribution: HOME IMPROVEMENT		Geography: NEVADA						Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2015						
AA:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income <sup>1</sup>			
	#	% of Total <sup>**</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans <sup>****</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Las Vegas-Henderson-Paradise NV MSA	9	75.00	1.74	0.00	15.53	0.00	45.66	33.33	37.07	66.67	1.02	10.29	41.10	47.59
Reno NV MSA	3	25.00	3.53	0.00	15.70	0.00	36.70	0.00	44.07	100.00	2.06	12.37	35.79	49.78
<b>Limited Review:</b>														
Carson City NV MSA	0	0.00	0.00	0.00	16.96	0.00	71.80	0.00	11.25	0.00	0.00	18.48	73.91	7.61

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 4a. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE			Geography: NEVADA				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2015							
AA:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income <sup>1</sup>			
	#	% of Total <sup>**</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans <sup>****</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Las Vegas-Henderson-Paradise NV MSA	72	62.61	1.74	0.00	15.53	5.56	45.66	29.17	37.07	65.28	0.50	7.50	43.64	48.36
Reno NV MSA	42	36.52	3.53	0.00	15.70	7.14	36.70	14.29	44.07	78.57	1.84	9.91	36.45	51.81
<b>Limited Review:</b>														
Carson City NV MSA	1	0.87	0.00	0.00	16.96	0.00	71.80	100.00	11.25	0.00	0.00	13.46	76.65	9.89

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 5a. Geographic Distribution of Multifamily Loans**

Geographic Distribution: MULTIFAMILY		Geography: NEVADA						Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2015						
AA:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income <sup>1</sup>			
	#	% of Total <sup>2</sup>	% of MF Units <sup>3</sup>	% BANK Loans <sup>4</sup>	% MF Units <sup>2*</sup>	% BANK Loans	% MF Units <sup>3</sup>	% BANK Loans	% MF Units <sup>3</sup>	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Las Vegas-Henderson-Paradise NV MSA	8	100.00	13.16	50.00	41.60	25.00	34.88	25.00	10.35	0.00	24.07	48.15	24.07	3.70
Reno NV MSA	0	0.00	23.38	0.00	42.85	0.00	22.09	0.00	11.69	0.00	21.05	52.63	21.05	5.26
<b>Limited Review:</b>														
Carson City NV MSA	0	0.00	0.00	0.00	24.15	0.00	71.13	0.00	4.72	0.00	0.00	45.45	45.45	9.09

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

\*\*\* Percentage of Multi Family Units is the number of multi family units in a particular geography divided by the number of multi family housing units in the area based on 2010 Census information.

\*\*\*\* Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

**Table 6a. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES			Geography: NEVADA				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2015					Aggregate Lending (%) by Tract Income <sup>1</sup>			
AA:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Low	Mod	Mid	Upp	
	#	% of Total <sup>2</sup>	% of Business <sup>3</sup>	% BANK Loans	% of Businesses* <sup>2</sup>	% BANK Loans	% of Business <sup>3</sup>	% BANK Loans	% of Business <sup>3</sup>	% BANK Loans					
<b>Full Review:</b>															
Las Vegas-Henderson-Paradise NV MSA	108	20.65	4.92	4.63	21.14	19.44	42.34	48.15	31.59	27.78	3.15	17.43	42.86	36.56	
Reno NV MSA	406	77.63	10.84	3.94	29.04	88.92	21.12	4.93	34.02	2.22	7.82	26.02	23.30	42.85	
<b>Limited Review:</b>															
Carson City NV MSA	9	1.72	0.00	0.00	12.04	33.33	80.73	66.67	7.23	0.00	0.00	12.23	78.47	9.30	

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2015).

**Table 8a. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE		Geography: NEVADA						Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2015						
AA:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data <sup>1</sup>			
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>23</sup>	% BANK Loans <sup>****</sup>	% Families <sup>*</sup>	% BANK Loans <sup>****</sup>	% Families <sup>*</sup>	% BANK Loans <sup>****</sup>	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Las Vegas-Henderson-Paradise NV MSA	151	64.26	20.10	3.36	18.02	13.42	22.00	7.38	39.88	75.84	5.29	21.11	27.21	46.39
Reno NV MSA	81	34.47	20.97	12.35	17.79	27.16	20.40	9.88	40.84	50.62	3.39	16.17	26.66	53.78
<b>Limited Review:</b>														
Carson City NV MSA	3	7	22.27	0.00	17.26	0.00	19.79	66.67	40.68	33.33	11.09	26.37	27.97	34.57

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 0.9% of loans originated and purchased by BANK.

23 Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 9a. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT		Geography: NEVADA				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2015								
AA:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data <sup>1</sup>			
	#	% of Total <sup>2</sup>	% Families <sup>3</sup>	% BANK Loans <sup>4</sup>	% Families <sup>24</sup>	% BANK Loans <sup>4</sup>	% Families <sup>*</sup>	% BANK Loans <sup>4</sup>	% Families <sup>*</sup>	% BANK Loans <sup>4</sup>	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Las Vegas-Henderson-Paradise NV MSA	9	75.00	20.10	0.00	18.02	25.00	22.00	12.50	39.88	62.50	7.93	17.74	24.62	49.70
Reno NV MSA	3	25.00	20.97	0.00	17.79	0.00	20.40	33.33	40.84	66.67	5.92	16.20	24.61	53.27
<b>Limited Review:</b>														
Carson City NV MSA	0	0.00	22.27	0.00	17.26	0.00	19.79	0.00	40.68	0.00	3.37	19.10	40.45	37.08

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 8.3% of loans originated and purchased by BANK.

<sup>24</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 10a. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE				Geography: NEVADA				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2015						
AA:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data <sup>1</sup>			
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>25</sup>	% BANK Loans <sup>****</sup>	% Families <sup>*</sup>	% BANK Loans <sup>****</sup>	% Families <sup>*</sup>	% BANK Loans <sup>****</sup>	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Las Vegas-Henderson-Paradise NV MSA	72	62.61	20.10	0.00	18.02	12.50	22.00	23.44	39.88	64.06	6.06	17.82	25.56	50.56
Reno NV MSA	42	36.52	20.97	4.88	17.79	4.88	20.40	14.63	40.84	75.61	5.36	15.86	25.70	53.08
<b>Limited Review:</b>														
Carson City NV MSA	1	0.87	22.27	0.00	17.26	0.00	19.79	0.00	40.68	100.00	8.04	21.44	31.16	39.36

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 7.8% of loans originated and purchased by BANK.

25 Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 11a. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: NEVADA			Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2015				
AA:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Aggregate Lending Data <sup>1</sup>	
	#	% of Total <sup>**</sup>	% of Businesses <sup>***</sup>	% BANK Loans <sup>****</sup>	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Las Vegas-Henderson-Paradise NV MSA	108	20.65	75.35	37.04	47.22	15.74	37.04	39,654	20,982
Reno NV MSA	406	77.63	75.52	6.21	83.77	8.59	7.64	11,019	5,966
<b>Limited Review:</b>									
Carson City NV MSA	9	72	72.32	33.33	44.44	0.00	55.56	1,538	875

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2015).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 0.75% of small loans to businesses originated and purchased by the bank.

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS		Geography: NEVADA				Evaluation Period: OCTOBER 30, 2012 TO DECEMBER 31, 2016			
AA:	Prior Period Investments'		Current Period Investments		Total Investments			Unfunded Commitments''	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Las Vegas-Henderson-Paradise NV MSA	3	563	19	5,651	22	6,214	50.49	1	902
Reno NV MSA	2	433	16	5,043	18	5,476	44.50	0	0
<b>Limited Review:</b>									
Carson City NV MSA	0	0	2	617	2	617	5.01	0	0

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

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

**Table 15. Distribution of Branch Delivery System and Branch Openings/Closings**

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS Geography: NEVADA Evaluation Period: OCTOBER 30, 2012 TO DECEMBER 31, 2016																	
AA:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Las Vegas-Henderson-Paradise NV MSA	64.95	3	60.00	0.00	33.33	66.66	0.00	1	3	0	-1	-1	0	5.29	22.78	42.19	29.74
Reno NV MSA	22.84	1	20.00	0.00	0.00	0.00	100.00	1	2	0	-1	0	+1	10.21	22.54	34.23	32.97
<b>Limited Review:</b>																	
Carson City NV MSA	12.22	1	20.00	0.00	0.00	100.00	0.00	0	0	0	0	0	0	0.00	19.89	73.22	6.89

## State of Texas

Table 1. Lending Volume

LENDING VOLUME JANUARY 1, 2014 TO DECEMBER 31, 2015		Geography: TEXAS								Evaluation Period:		
AA:	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
Dallas-Plano-Irving TX MD	49.00	131	52,791	32	9,020	0	0	8	28,302	171	90,113	63.47
Houston-The Woodlands-Sugar Land TX MSA	30.37	62	44,228	42	13,342	0	0	2	6,940	106	64,510	30.41
<b>Limited Review:</b>												
Fort Worth-Arlington TX MD****	20.06	54	20,134	15	4,313	0	0	1	9,500	70	33,947	6.12
<b>Statewide:</b>												
TX Statewide with P/M/F to serve an AA(s)	0.57							2	19,500	2	19,500	0.00
TX Statewide with no P/M/F to serve an AA(s)	0.00							4	25,095	4	25,095	0.00

\* Loan Data as of December 31, 2015. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from October 30, 2012 to December 31, 2016 for the Dallas-Plano-Irving TX TD and the Houston-The Woodlands-SugarLand TX MSA. The evaluation period for Community Development Loans is from August 15, 2012 to December 31, 2016 for the Fort Worth-Arlington TX MD.

\*\*\* Deposit Data as of June 30, 2015. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

\*\*\*\* The evaluation period for the Fort Worth-Arlington TX MD is August 15, 2012 to December 31, 2016.

**Table 2a. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE		Geography: TEXAS					Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015							
AA:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income <sup>1</sup>			
	#	% of Total <sup>2</sup>	% Owner Occ Units <sup>3</sup>	% BANK Loans <sup>4</sup>	% Owner Occ Units <sup>3</sup>	% BANK Loans	% Owner Occ Units <sup>3</sup>	% BANK Loans	% Owner Occ Units <sup>3</sup>	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Dallas-Plano-Irving TX MD	107	52.70	9.40	4.67	30.76	34.58	28.80	22.43	31.03	38.32	5.71	21.68	31.53	41.08
Houston-The Woodlands-Sugar Land TX MSA	48	23.65	5.75	8.33	25.81	27.08	28.44	18.75	40.00	45.83	2.37	13.41	33.92	50.30
<b>Limited Review:</b>														
Fort Worth-Arlington TX MD	48	23.65	4.10	4.17	20.39	33.33	37.59	25.00	37.91	37.50	0.99	11.58	38.05	49.38

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 3a. Geographic Distribution of Home Improvement Loans**

Geographic Distribution: HOME IMPROVEMENT			Geography: TEXAS				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015							
AA:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income <sup>1</sup>			
	#	% of Total <sup>2</sup>	% Owner Occ Units <sup>3</sup>	% BANK Loans <sup>4</sup>	% Owner Occ Units <sup>3</sup>	% BANK Loans	% Owner Occ Units <sup>3</sup>	% BANK Loans	% Owner Occ Units <sup>3</sup>	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Dallas-Plano-Irving TX MD	3	37.50	9.40	0.00	30.76	0.00	28.80	0.00	31.03	100.00	5.87	21.22	26.62	46.29
Houston-The Woodlands-Sugar Land TX MSA	4	50.00	5.75	0.00	25.81	25.00	28.44	0.00	40.00	75.00	3.44	15.85	25.04	55.67
<b>Limited Review:</b>														
Fort Worth-Arlington TX MD	1	12.50	4.10	0.00	20.39	100.00	37.59	0.00	37.91	0.00	2.21	13.55	31.23	53.01

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 4a. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE			Geography: TEXAS				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015							
AA:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income <sup>*</sup>			
	#	% of Total <sup>**</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans <sup>****</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Dallas-Plano-Irving TX MD	14	51.85	9.40	0.00	30.76	28.57	28.80	21.43	31.03	50.00	3.79	17.95	30.99	47.27
Houston-The Woodlands-Sugar Land TX MSA	9	33.33	5.75	0.00	25.81	0.00	28.44	22.22	40.00	77.78	2.18	13.20	28.83	55.79
<b>Limited Review:</b>														
Fort Worth-Arlington TX MD	4	14.82	4.10	0.00	20.39	75.00	37.59	0.00	37.91	25.00	0.69	9.38	35.61	54.33

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 5a. Geographic Distribution of Multifamily Loans**

Geographic Distribution: MULTIFAMILY		Geography: TEXAS						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015						
AA:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income <sup>1</sup>			
	#	% of Total <sup>2</sup>	% of MF Units <sup>3</sup>	% BANK Loans <sup>4</sup>	% MF Units <sup>2*</sup>	% BANK Loans	% MF Units <sup>3</sup>	% BANK Loans	% MF Units <sup>3</sup>	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Dallas-Plano-Irving TX MD	7	77.78	31.25	42.86	28.99	14.29	21.73	14.29	18.02	28.57	36.76	29.64	18.18	15.42
Houston-The Woodlands-Sugar Land TX MSA	1	11.11	24.98	0.00	32.77	0.00	19.31	100.00	22.93	0.00	25.09	37.28	20.21	17.42
<b>Limited Review:</b>														
Fort Worth-Arlington TX MD	1	11.11	8.52	0.00	36.65	0.00	43.52	0.00	11.31	100.00	11.90	29.76	41.67	16.67

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

\*\*\* Percentage of Multi Family Units is the number of multi family units in a particular geography divided by the number of multi family housing units in the area based on 2010 Census information.

\*\*\*\* Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

**Table 6a. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES				Geography: TEXAS				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015							
AA:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income <sup>1</sup>				
	#	% of Total <sup>**</sup>	% of Businesses <sup>***</sup>	% BANK Loans	% of Businesses* <sup>**</sup>	% BANK Loans	% of Businesses <sup>***</sup>	% BANK Loans	% of Businesses <sup>***</sup>	% BANK Loans	Low	Mod	Mid	Upp	
<b>Full Review:</b>															
Dallas-Plano-Irving TX MD	32	35.96	12.51	3.23	23.82	48.39	25.85	22.58	37.43	25.81	14.52	23.42	24.44	37.61	
Houston-The Woodlands-Sugar Land TX MSA	42	47.19	10.57	23.81	22.75	14.29	23.53	19.05	43.07	42.86	10.71	22.66	24.31	42.32	
<b>Limited Review:</b>															
Fort Worth-Arlington TX MD	15	16.85	4.84	0.00	21.24	6.67	33.92	86.67	39.84	6.67	5.30	21.29	32.97	40.44	

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2013).

**Table 8a. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE		Geography: TEXAS						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015						
AA:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data <sup>1</sup>			
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>26</sup>	% BANK Loans <sup>****</sup>	% Families <sup>*</sup>	% BANK Loans <sup>****</sup>	% Families <sup>**</sup>	% BANK Loans <sup>****</sup>	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Dallas-Plano-Irving TX MD	107	52.70	30.47	22.43	19.14	22.43	17.82	9.35	32.57	45.79	8.52	20.16	19.63	51.68
Houston-The Woodlands-Sugar Land TX MSA	48	23.65	26.75	8.33	17.46	22.92	17.37	4.17	38.43	64.58	4.65	17.98	23.00	54.38
<b>Limited Review:</b>														
Fort Worth-Arlington TX MD	48	23.65	21.85	25.00	17.21	35.42	19.30	14.58	41.65	25.00	6.02	19.94	24.74	49.31

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 1.2% of loans originated and purchased by BANK.

<sup>26</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 9a. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT			Geography: TEXAS				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015							
AA:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data <sup>1</sup>			
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>27</sup>	% BANK Loans <sup>****</sup>	% Families <sup>*</sup>	% BANK Loans <sup>****</sup>	% Families <sup>*</sup>	% BANK Loans <sup>****</sup>	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Dallas-Plano-Irving TX MD	3	37.50	30.47	0.00	19.14	0.00	17.82	100.00	32.57	0.00	10.82	16.99	17.43	54.75
Houston-The Woodlands-Sugar Land TX MSA	4	50.00	26.75	0.00	17.46	0.00	17.37	0.00	38.43	100.00	8.18	12.11	17.27	62.43
<b>Limited Review:</b>														
Fort Worth-Arlington TX MD	1	12.50	21.85	0.00	17.21	0.00	19.30	0.00	41.65	100.00	9.29	12.81	17.58	60.33

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 20.0% of loans originated and purchased by BANK.

<sup>27</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 10a. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE				Geography: TEXAS				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015						
AA:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data <sup>1</sup>			
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>28</sup>	% BANK Loans <sup>****</sup>	% Families <sup>*</sup>	% BANK Loans <sup>****</sup>	% Families <sup>*</sup>	% BANK Loans <sup>****</sup>	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Dallas-Plano-Irving TX MD	14	51.85	30.47	21.43	19.14	21.43	17.82	7.14	32.57	50.00	7.00	15.04	19.78	58.18
Houston-The Woodlands-Sugar Land TX MSA	9	33.33	26.75	0.00	17.46	0.00	17.37	0.00	38.43	100.00	5.46	13.33	20.78	60.43
<b>Limited Review:</b>														
Fort Worth-Arlington TX MD	4	14.82	21.85	0.00	17.21	25.00	19.30	25.00	41.65	50.00	5.39	14.61	23.09	56.91

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by BANK.

28 Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 11a. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: TEXAS			Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015				
AA:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Aggregate Lending Data <sup>1</sup>	
	#	% of Total <sup>**</sup>	% of Businesses <sup>***</sup>	% BANK Loans <sup>****</sup>	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Dallas-Plano-Irving TX MD	32	35.96	76.22	46.88	37.50	21.88	40.63	52,411	24,240
Houston-The Woodlands-Sugar Land TX MSA	42	47.19	77.89	38.10	38.10	21.43	40.48	91,353	42,083
<b>Limited Review:</b>									
Fort Worth-Arlington TX MD	15	16.85	80.29	66.67	33.33	26.67	40.00	34,268	16,593

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2015).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 6.25% of small loans to businesses originated and purchased by the bank.

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS		Geography: TEXAS				Evaluation Period: OCTOBER 30, 2012 TO DECEMBER 31, 2016			
AA:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Dallas-Plano-Irving TX MD	1	494	26	6,958	27	7,452	50.84	0	0
Houston-The Woodlands-Sugar Land TX MSA	1	843	9	1,216	10	2,059	14.05	0	0
<b>Limited Review:</b>									
Fort Worth-Arlington TX MD***	0	0	3	2,130	3	2,130	14.53	0	0
<b>Statewide:</b>									
TX Statewide with P/M/F to serve an AA(s)	2	1,017	1	2,000	3	3,017	20.58	2	352

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

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

\*\*\* The evaluation period for Fort Worth-Arlington MD was August 15, 2012 through December 31, 2016.

**Table 15. Distribution of Branch Delivery System and Branch Openings/Closings**

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS Geography: TEXAS Evaluation Period: OCTOBER 30, 2012 TO DECEMBER 31, 2016																	
AA:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Dallas-Plano-Irving TX MD	55.87	2	40.00	0.00	0.00	50.00	50.00	0	0	0	0	0	0	18.11	35.18	25.10	21.61
Houston-The Woodlands-Sugar Land TX MSA	37.75	2	40.00	0.00	0.00	0.00	100.00	0	0	0	0	0	0	12.74	31.04	26.55	29.31
<b>Limited Review:</b>																	
Fort Worth-Arlington TX MD*	6.38	1	20.00	0.00	0.00	100.00	0.00	0	0	0	0	0	0	7.23	26.22	35.81	30.74

\* The Fort Worth-Arlington branch opened on August 15, 2012.

**Nationwide**

**Table 1. Lending Volume**

LENDING VOLUME		Geography: REGIONAL AND NATIONWIDE						Evaluation Period: OCTOBER 30, 2012 TO DECEMBER 31, 2016				
AA	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
<b>Regional Activity:</b>												
Regional	0.00	0	0	0	0	0	0	0	0	0	0	100.00
<b>Nationwide:</b>												
Nationwide with no P/M/F to serve an AA(s)	0.00	0	0	0	0	0	0	2	14,210	2	14,210	0.00

\*\* The evaluation period for Community Development Loans is from October 30, 2012 to December 31, 2016.

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS		Geography: REGIONAL AND NATIONWIDE				Evaluation Period: OCTOBER 30, 2012 TO DECEMBER 31, 2016			
AA:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Regional:</b>									
Regional with P/M/F to serve AZ-CA-NV	0	0	1	500	1	500	0.00	0	0
<b>Nationwide:</b>									
Nationwide with P/M/F to serve the AAs	0	0	4	275	4	275	0.00	0	0

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

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

