

**ANNUAL REPORT TO THE FIRSTIER BANK BOARD OF DIRECTORS  
CRA (COMMUNITY REINVESTMENT ACT)  
MARCH 2022 (as of 12/31/21)**

**Program Overview**

An analysis of the percentage of loans by number and by volume in our assessment area as well as outside of our assessment area was completed. A comparison of year over year change by dollars and number of loans is below.

Loan % Inside Assessment Area:		Loan % Outside Assessment Area
2021	79%	21%
2020	79%	21%
2019	72%	28%
2018	71%	29%

A CRA self-assessment was conducted and the program is found to be satisfactory. Please find the self-assessment as an attachment to this report.

There are two recommendations noted in the self-assessment. The first one is adjusting our assessment areas. This was presented to the board during the March board meeting. While the majority of our loans have stayed within the current assessment area, it was recommended to include the surrounding counties as they consistently make up the rest of our loan portfolio as well as officially including the low to moderate income tracts that we are already serving.

The second recommendation is that the bank needs to get more involved in CRA eligible efforts that help low to moderate income individuals within the bank's foot print. There have been very few efforts that meet the community development eligibility requirements.

**Notice in Branches**

The Community Reinvestment Act Notice is posted in each branch and is in compliance with the regulation by using the model language provided in the regulation. Audits were conducted in January 2022 while the Compliance department was physically at each branch.

**Public File**

The CRA public file was updated in February 2022 and a review was conducted to ensure all required information was included. The file is digital and is available to all branches. This ensures each branch has current and accurate information to present to customers who request to see the CRA file.

A review of the Fair Lending Program in October 2021 was conducted and no evidence of discrimination by race, sex, or income was noted. The bank lending staff does consistently grade loan applicants and decisions are made based solely on credit-worthiness. All denials and

withdrawals are reviewed by the bank Compliance Officer or other designee who constantly monitors for any evidence of suspected disparate lending practices.

FirsTier Bank is considered to be an “Intermediate Small Institution” under the Community Reinvestment Act as of 12/31/19. Any bank with assets of at least \$326 million and less than \$1.305 billion as of December 31 of both of the prior two calendar years is considered to be an Intermediate Small Bank (ISB). The record keeping requirements and CRA evaluations are significantly elevated for ISB banks.

Submitted by: *Erin Young, Director of Compliance*