PUBLIC DISCLOSURE

February 8, 2021

COMMUNITY REINVESTMENT ACT

PERFORMANCE EVALUATION

Quad City Bank & Trust Company
RSSD# 2142155

2118 Middle Road
Bettendorf, Iowa 52722

Federal Reserve Bank of Chicago

230 South LaSalle Street
Chicago, Illinois 60604-1413

NOTE: This document is an evaluation of this bank'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 bank. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this bank. The rating assigned to this bank does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial bank.

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INSTITUTION'S CRA RATING

Quad City Bank and Trust Company's Overall CRA Rating: Satisfactory

Performance Test Rating Table

The following table indicates the performance level of Quad City Bank and Trust Company with respect to the lending, investment, and service tests.

Quad City Bank and Trust Company			
Performance Levels	**Performance Tests**		
	Lending Test	**Investment Test**	**Service Test**
Outstanding			
High Satisfactory	✓	✓	✓
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

* *Note: The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating*

Summary of Major Factors that Support the Rating

Lending Test:
- Lending levels reflect adequate responsiveness to assessment area credit needs.
- A high percentage of loans are made in the bank's assessment area.
- The geographic distribution of loans reflects good penetration throughout the assessment area;
- The distribution of borrowers reflects, given the product lines offered, good penetration among borrowers of different income levels and businesses of different revenue sizes;
- The bank exhibits a good record of serving the credit needs of low-income individuals and areas and very small businesses;

- The bank makes a relatively high level of community development loans; and
- The bank makes use of innovative and flexible lending practices in serving assessment area credit needs.

Investment Test:
- Investment activities demonstrate a significant level of qualified community development investments and grants, particularly those not routinely provided by private investors, occasionally in a leadership position;
- The bank makes occasional use of innovative investments to support community development initiatives;
- The bank exhibits good responsiveness to credit and community development needs.

Service Test:
- The bank's delivery systems are accessible to the bank's geographies and individuals of different income levels in the assessment area;
- Services do not vary in a way that inconveniences its assessment area, particularly low- and moderate-income geographies and low- and moderate-income individuals; and
- The bank provides a relatively high level of community development services.

QUAD CITY BANK AND TRUST COMPANY

DESCRIPTION OF INSTITUTION

Quad City Bank and Trust Company (QCBT) is a subsidiary of QCR Holdings, Inc., a four-bank holding company based in Moline, Illinois. The bank operates within the Davenport-Moline-Rock Island, Iowa-Illinois Metropolitan Statistical Area #19340 (Quad City MSA). Within the Quad City MSA, the bank's assessment area encompasses Scott County, Iowa and Rock Island County, Illinois in their entireties.

QCBT's branch network remains unchanged from the previous evaluation. The bank operates a main office located in Bettendorf, Iowa, three branches in Davenport, Iowa, and one branch located in Moline, Illinois. In addition, QCBT operates seven full-service and seven cash dispensing automated teller machines (ATMs) throughout the assessment area. Specifically, one cash-only ATM is located in a low-income census tract, one branch with a full-service ATM and six standalone ATMs (one full-service, five cash-only) are located in moderate-income census tracts, and the main office with a full-service ATM, three branches with full-service ATMs, and two standalone ATMs (one full-service, one cash-only) are located in middle-income census tracts. Products and services do not vary by branch location.

QCBT remains engaged in a joint venture arrangement with Ruhl Mortgage LLC to facilitate the residential real estate loan process from origination through underwriting and closing of the loan and to expand the bank's mortgage product and service offerings. Ruhl offers purchase and refinance loans, including Federal Housing Administration (FHA), Veterans Administration (VA), and Rural Development loans; second home loans; loans for investment properties and relocations; as well as down payment and closing cost assistance programs. A downpayment assistance program is also available through QCBT for new and refinance residential real estate loans for low- and moderate-income (LMI) individuals up to $3,000.

According to the September 30, 2020 Uniform Bank Performance Report (UBPR), QCBT reported total assets of approximately $2.2 billion. The bank offers a full range of loan products including commercial, residential real estate, agricultural, and consumer loans. The bank also offers a variety of standard, non-complex deposit products including checking, savings, money market, and certificate of deposit accounts. QCBT is primarily a commercial lender with 68.4 percent of its loan portfolio concentrated in commercial loans as of September 30, 2020. Also significant are "other" loans constituting 20.2 percent of the loan portfolio. These loans are comprised primarily of loans made to non-depository institutions, such as leasing and financing companies. Residential real estate lending also represents a notable portion of the loan portfolio at 10.4 percent.

Loan Portfolio Composition as of September 30, 2020

Loan Type	Dollar Volume ($ in 000s)	% of Portfolio
Commercial	1,065,176	68.4
Other	314,067	20.2
Residential Real Estate	161,875	10.4
Consumer	11,962	0.8
Agricultural	3,718	0.2
Total	1,556,798	100.0

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

The bank offers a number of alternative retail delivery services, including mobile banking, internet banking, and ATMs. The bank's website has transactional capabilities and allows customers to perform account transfers, bill payments, and apply for consumer loans. In addition, telebanking services are provided in both English and Spanish. Mobile banking services include remote deposit capture and person-to-person (Zelle) payment capabilities.

Marketing of products and services is performed throughout the bank's delineated assessment area. Advertising is primarily in the form of print and digital media including through mailers, lobby signage, social media, newspaper articles, and on the bank's website. The bank's primary marketing strategy remains relationship driven, and an emphasis is placed on establishing relationships with community leaders and community groups in order to obtain desired results.

There are no known legal, financial, or other factors impeding the bank's ability to help meet the credit needs in its communities.

At its previous evaluation conducted on November 12, 2018, the bank was rated Satisfactory under the CRA.

SCOPE OF THE EXAMINATION

QCBT's CRA performance was evaluated using the Federal Financial Institutions Examination Council's (FFIEC) Interagency Large Institution CRA Examination Procedures. The evaluation was performed in the context of information about the bank and its assessment area, such as asset size, financial condition, market presence of other financial institutions, the combined record of aggregate lenders in the assessment area, and economic and demographic characteristics.

The evaluation included a full-scope review of the bank's assessment area comprising Scott County, Iowa and Rock Island County, Illinois located in the Quad City MSA. Aggregate lending data comparisons consist of lending activity for all institutions originating loans reported under the Home Mortgage Disclosure Act (HMDA) and the Community Reinvestment Act (CRA) within the assessment area in 2018 and 2019.

The retail lending analysis was based on 2018 and 2019 HMDA-reportable loans, specifically home purchase and home refinance. Home improvement, multifamily, other purpose lines of credit, other purpose closed/exempt, and loan purpose not applicable loans were not evaluated as the limited volume in each of these categories does not allow for an effective analysis. The review also included an analysis of 2018 and 2019 CRA-reportable small business loans. As the bank is predominantly a commercial lender, CRA-reportable small business loan activity is weighted more heavily than HMDA-reportable loans in the evaluation's retail lending analysis. Small farm lending during the evaluation period was minimal and had no impact on the overall CRA rating. Therefore, an evaluation of small farm lending was not included. Of note, lending tables for 2019 are included in the geographic and borrower distribution sections of this report while 2018 lending data tables can be found in Appendix A.

Performance in the assessment area was evaluated using the following performance standards:

- ***Lending Activity*** - HMDA-reportable loans originated from January 1, 2018 through December 31, 2019 and CRA-reportable small business loans originated from January 1, 2018 through December 31, 2019 were reviewed to determine the bank's responsiveness to credit needs in the assessment area.

- ***Lending in the Assessment Area*** - HMDA-reportable loans originated from January 1, 2018 through December 31, 2019 and CRA-reportable small business loans originated from January 1, 2018 through December 31, 2019 were reviewed to determine the percentage of loans originated in the assessment area.

- G*eographic Distribution of Lending in the Assessment Area* - HMDA-reportable loans originated from January l, 2018 through December 31, 2019 and CRA-reportable small business loans originated from January 1, 2018 through December 31, 2019 were analyzed to determine the extent to which the bank is making loans in census tracts of different income levels, including those designated as LMI.

- ***Lending to Borrowers of Different Incomes and Businesses of Different Sizes*** - HMDA reportable loans originated from January 1, 2018 through December 31, 2019 and CRA-reportable small business loans originated from January 1, 2018 through December 31, 2019 were analyzed to determine the loan distribution among borrowers of different income levels and businesses of different revenue levels.

- ***Community Development Lending*** - The number volume, dollar volume, innovativeness, and complexity of community development loans were reviewed from November 13, 2018 through February 8, 2021.

- ***Innovative or Flexible Lending Practices*** - The degree to which the bank uses innovative and flexible lending practices to address the credit needs of LMI individuals and geographies, as well as small businesses.

- ***Investments*** - Qualified investments from November 13, 2018 through February 8, 2021 were reviewed to determine the bank's responsiveness to community development needs. Qualified investments were also evaluated to determine the bank's use of innovative or complex investments.

- ***Services*** - The distribution of the bank's branch offices and ATMs, its record of opening and closing branch offices, banking services, hours of operation, availability of loan and deposit products, and the extent and innovativeness of community development services were reviewed from November 13, 2018 through February 8, 2021.

In addition, two CRA-related community representatives were contacted in connection with this evaluation to better understand the credit needs of the assessment area. The contacts focused on the areas of affordable housing and economic development.

QUAD CITY MSA

CRA RATING FOR THE QUAD CITY MSA:
The Lending Test is rated: High Satisfactory
The Investment Test is rated: High Satisfactory
The Service Test is rated: High Satisfactory

QCBT is meeting the credit needs of its community, consistent with its locations, asset size, and local economic conditions within its delineated assessment area. Lending levels reflect adequate responsiveness to assessment area credit needs. The bank originated a high percentage of its loans within the delineated assessment area during the review period. The geographic distribution and distribution of borrowers reflects good distribution, particularly to LMI borrowers and within LMI census tracts. The bank also serves the credit needs of its assessment area by making a relatively high level of community development loans. Investment activities demonstrate a significant level of qualified community development investments and grants. The bank's delivery systems are accessible to the geographies and individuals of different income levels within the assessment area and businesses of different sizes. The bank's record of opening and closing branches and ATMs has not adversely affected the accessibility of its delivery systems, particularly to LMI geographies and individuals. Lastly, bank staff provides a relatively high level of community development services, providing guidance and expertise often as a board representative.

SCOPE OF EXAMINATION

QCBT's operations in the Quad City MSA received a full-scope review. The scope of examination is consistent with that which was defined for the whole review; see the more detailed description of the scope contained in the introduction section.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE QUAD CITY MSA

QCBT operates its main office, four bank branches, and 14 ATMs in the assessment area, specifically within Scott County, Iowa and Rock Island County, Illinois. According to the June 30, 2020 FDIC Market Share Report, QCBT ranks first out of 24 FDIC-insured institutions operating in the assessment area with 23.3 percent of the deposit market share. The bank is trailed by Wells Fargo Bank N.A., which is ranked second holding 16.4 percent of the deposit market share, followed by U.S. Bank N.A., which is ranked third with a 12.0 percent deposit market share. Specifically within Scott County, Iowa, QCBT ranks first in market share with 31.9 percent. With only one branch location in the state of Illinois, QCBT has less of a presence in Rock Island County, ranking fifth out of 17 depository institutions with 7.6 percent of the deposit market share. The top three institutions by deposit market share in Rock Island County, Illinois are Blackhawk Bank & Trust (29.2 percent), First Midwest Bank (10.5 percent), and TBK Bank (10.2 percent).

The assessment area also contains a significant presence of highly competitive credit unions. As of 2019, there were a total of 264 HMDA reporters in the assessment area, and the top three reporters were all credit unions which included Greenstate Credit Union, I.H. Mississippi Valley Credit Union and Vibrant Credit Union; QCBT ranked 27th among HMDA reporters in the assessment area. In addition to highly competitive credit unions, the bank faces competive forces from community and national banks with business and farm lending. As of 2019, the bank's assessment area comprised 79 CRA reporters and the bank ranked seventh; Blackhawk Bank and Trust, JP Morgan Chase Bank, and US Bank represented the top three CRA reporters.

The bank's assessment area delineation has not changed since the previous evaluation and is comprised of 87 total census tracts; 47 census tracts are located in Scott County, Iowa and the remaining 40 census tracts are located in Rock Island County, Illinois. Since the counties are part of the same multistate MSA, they will be evaluated as one contiguous assessment area. Based on 2019 FFIEC census data and 2015 American Community Survey (ACS) data, four census tracts are determined to be low-income, 26 census tracts are designated moderate-income, 43 census tracts are considered middle-income, and 14 census tracts are upper-income.

Information about census-related and business demographic characteristics of the assessment area for 2019 is provided in the following table. Please see Appendix B to review this information for 2018.

Assessment Area: 2019 Davenport-Moline-Rock Island, IA-IL MSA 19340								
Income Categories	**Tract Distribution**		**Families by Tract Income**		**Families < Poverty Level as % of Families by Tract**		**Families by Family Income**	
	#	%	#	%	#	%	#	%
Low-income	4	4.6	1,566	2.0	551	35.2	16,098	20.1
Moderate-income	26	29.9	15,617	19.5	2,679	17.2	14,333	17.9
Middle-income	43	49.4	45,864	57.3	4,020	8.8	17,006	21.3
Upper-income	14	16.1	16,973	21.2	540	3.2	32,583	40.7
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	**87**	**100.0**	**80,020**	**100.0**	**7,790**	**9.7**	**80,020**	**100.0**
	Housing Units by Tract	**Housing Types by Tract**						
		Owner-Occupied			**Rental**		**Vacant**	
		#	%	%	#	%	#	%
Low-income	4,530	735	0.8	16.2	2,846	62.8	949	20.9
Moderate-income	31,422	16,147	18.3	51.4	11,724	37.3	3,551	11.3
Middle-income	75,888	51,199	58.1	67.5	20,051	26.4	4,638	6.1
Upper-income	26,751	19,976	22.7	74.7	5,422	20.3	1,353	5.1
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	**138,591**	**88,057**	**100.0**	**63.5**	**40,043**	**28.9**	**10,491**	**7.6**
	Total Businesses by Tract		**Businesses by Tract & Revenue Size**					
			Less Than or = $1 Million		**Over $1 Million**		**Revenue Not Reported**	
	#	%	#	%	#	%	#	%
Low-income	811	6.6	680	6.2	121	10.1	10	7.9
Moderate-income	2,477	20.1	2,185	19.8	272	22.7	20	15.7
Middle-income	5,919	48.0	5,258	47.7	601	50.1	60	47.2
Upper-income	3,132	25.4	2,890	26.2	205	17.1	37	29.1
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	**12,339**	**100.0**	**11,013**	**100.0**	**1,199**	**100.0**	**127**	**100.0**
	Percentage of Total Businesses:			**89.3**		**9.7**		**1.0**
	Total Farms by Tract		**Farms by Tract & Revenue Size**					
			Less Than or = $1 Million		**Over $1 Million**		**Revenue Not Reported**	
	#	%	#	%	#	%	#	%
Low-income	2	0.5	2	0.5	0	0.0	0	0.0
Moderate-income	6	1.5	6	1.6	0	0.0	0	0.0
Middle-income	255	65.7	253	66.2	2	33.3	0	0.0
Upper-income	125	32.2	121	31.7	4	66.7	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	**388**	**100.0**	**382**	**100.0**	**6**	**100.0**	**0**	**0.0**
	Percentage of Total Farms:			**98.5**		**1.5**		**0.0**

2019 FFIEC Census Data & 2019 Dun & Bradstreet information according to 2015 ACS

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

Population Characteristics

Population change was stable across the MSA, the counties which comprise the bank's assessment area, and the states to which the counties belong between 2010 and 2015. Scott County had the highest rate of growth, 2.9 percent, while Rock Island County experienced a slight decrease in population at 0.3 percent. Comments from a community representative noted that Scott County has recovered quicker from the previous economic crisis than Rock Island County, making it more attractive for new residents and thus resulting in population increase. Overall, the Quad City MSA's rate of growth, with an increase of 0.9 percent, was between that of the states of Iowa and Illinois which experienced increases of 1.5 percent and 0.3 percent, respectively.

The table below presents population change in the MSA, the counties which comprise the bank's assessment area, and the states to which the counties belong between 2010 and 2015.

Population Change 2010 and 2011-2015			
Area	**2010 Population**	**2011-2015 Population**	**Percentage Change (%)**
Scott County, IA	165,224	169,994	2.9
Rock Island, IL	147,546	147,161	-0.3
Davenport-Moline-Rock Island, IA-IL MSA	379,690	383,145	0.9
State of Iowa	3,046,355	3,093,526	1.5
State of Illinois	12,830,632	12,873,761	0.3

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

Income Characteristics

Overall, median family income grew across the MSA, the counties comprising the assessment area, and the states of Iowa and Illinois between 2010 and 2015. The percentage of change in the individual counties trended at rates consistent with the states in which they are located. While all experienced rates of growth, Rock Island County and the state of Illinois at 5.0 and 4.9 percent, grew at rates less than Scott County and the state of Iowa which increased 11.9 percent and 9.2 percent, respectively. The MSA, at a rate of 7.9 pecent, fell in between the individual counties and states. During the 2011-2015 ACS time period, Scott County, Iowa had the highest median family income compared to all other areas assessed; this represents a shift from 2006-2010 where the state of Illinois maintained the highest median family income. According to a community representative, Scott County, Iowa continues to recover from the previous recession at a faster pace than Rock Island County, Illinois.

The table below presents median family change in the MSA, the counties in the assessment area, and the states to which the counties belong between 2010 and 2015.

Median Family Income Change 2006-2010 and 2011-2015			
Area	2006-2010 Median Family Income ($)	2011-2015 Median Family Income ($)	Percentage Change (%)
Scott County, IA	64,513	72,195	11.9
Rock Island County, IL	58,962	61,895	5.0
Davenport-Moline-Rock Island, IA-IL MSA	61,723	66,600	7.9
State of Iowa	61,804	67,466	9.2
State of Illinois	68,236	71,546	4.9
Source: 2006-2010— U.S. Census Bureau: American Community Survey 2011-2015— U.S. Census Bureau: American Community Survey			

According to data from the Administrative Office of the U.S. Courts, personal bankruptcy filing rates have remained stable from 2015 through 2018. Both Rock Island County and Scott County maintained a bankruptcy filing ratio (per 1,000 population) of 2.0 and 1.8, respectively, from 2015 to 2018. Similarly, the state of Iowa maintained a bankruptcy filing ratio (per 1,000 population) of 1.4. The state of Illinois' bankruptcy filing ratio (per 1,000 population) went from of 4.4 to 3.7, and the MSA remained relatively stable going from 1.9 to 1.8 from 2015 to 2018.

Housing Characteristics

According to 2019 FFIEC Census data, there are a total of 138,591 housing units in the assessment area. The majority of housing units are owner-occupied at 63.5 percent, while 28.9 percent are rental units. Although only 7.6 percent of housing units are vacant in the assessment area, LMI census tracts experience a higher rate of vacancy when compared to middle- and upper-income census tracts. Within low-income census tracts, 16.2 percent of housing units are owner-occupied, with the vast majority of housing units being rental units at 62.8 percent. The remaining 20.9 percent of housing units in low-income census tracts are vacant. Within moderate-income tracts, owner-occupied units comprise 51.4 percent of housing units, rental units make up 37.3 percent, and vacant units comprise 11.3 percent. The lower percentage of owner-occupied housing in low-income census tracts indicates significantly fewer lending opportunities in those areas.

Based on 2006-2010 and 2011-2015 ACS data, housing costs in Scott County, Iowa continue to be higher than Rock Island County, Illinois. More specifically, during the 2011-2015 ACS period, Scott County, Iowa had the second highest housing costs and experienced the highest rate of growth, with a median housing value of $148,200 (10.1 percent increase) and median gross rent of $715 (12.4 percent increase). Rock Island County continued to have the lowest housing costs when compared to other areas, with a median housing value of $113,800 and median gross rent of $678 during the 2011-2015 ACS time period.

A common method to compare relative affordability of housing across geographic areas is the affordability ratio, which is defined in Appendix E. Based on a review of housing affordability ratios, housing in Rock Island County, Illinois is more affordable when compared to Scott County, Iowa. An area with a higher ratio generally has more affordable housing than an area with a lower ratio. During the 2011-2015 ACS time period, the affordability ratios within Rock Island County, Illinois and Scott County, Iowa were 0.43 and 0.37, respectively. As detailed in the chart below, housing affordability across all geographies never decreased, only experiencing increases in ratios or maintaining the same ratios from the 2006-2010 to 2011-2015 ACS time periods.

Compared to their respective states, Scott County, Iowa maintained higher housing costs that the state of Iowa, while Rock Island County, Illinois experienced housing costs significantly below the state of Illinois. The state of Illinois maintained the highest housing costs compared to all other area, and also experienced the lowest affordability ratio during both ACS periods. Although reflective of a 14.2 percent decrease from 2006-2010, the median housing value within the state of Illinois was $173,800 during the 2011-2015 ACS time period. During the same time, median gross rent was $907, reflecting a 8.8 percent increase from 2006-2010.

Please review the table below for more detail on trends in housing costs across the noted areas.

Trends in Housing Costs 2006-2010 and 2011-2015								
Location	2006-2010 Median Housing Value ($)	2011-2015 Median Housing Value ($)	Percent Change (%)	2006-2010 Median Gross Rent ($)	2011-2015 Median Gross Rent ($)	Percent Change (%)	2006-2010 Affordability Ratio	2011-2015 Affordability Ratio
Scott County, IA	134,600	148,200	10.1	636	715	12.4	0.37	0.37
Rock Island County, IL	111,700	113,800	1.9	598	678	13.4	0.41	0.43
Davenport-Moline-Rock Island, IA-IL MSA	120,396	125,746	4.4	617	686	11.2	0.40	0.42
State of Iowa	119,200	129,200	8.4	617	697	13.0	0.41	0.41
State of Illinois	202,500	173,800	-14.2	834	907	8.8	0.28	0.33
Source: 2006-2010— U.S. Census Bureau: American Community Survey 2011-2015— U.S. Census Bureau: American Community Survey								

Employment Characteristics

Based on the most recent data available from the Bureau of Labor Statistics (i.e. 2015-2018), unemployment rates experienced consistent declines across all geographic areas. In 2015, Rock Island County had the highest rates of unemployment among the related geographic areas at 6.3 percent. By 2018, with the economy well into recovery, unemployment rates had dropped to 5.2 percent but was still higher than all other areas. The state of Iowa continued to maintain the lowest unemployment rate, at 2.5 percent in 2018, when compared the all other areas. Trends in unemployment rates indicate continued economic improvement for the assessment area since the previous economic recession, as well as a faster recovery for Scott County than Rock Island County. The table below presents the unemployment rate in the MSA, the counties which comprise it and the states to which the counties belong between 2015 and 2018.

Unemployment Rates (%) 2015 to 2018				
Region	**2015**	**2016**	**2017**	**2018**
Scott County, IA	4.8	4.6	3.6	3.0
Rock Island County, IL	6.3	6.3	5.2	5.2
Davenport-Moline-Rock Island, IA-IL MSA	5.6	5.5	4.5	4.2
State of Iowa	3.8	3.7	3.1	2.5
State of Illinois	5.9	5.9	4.9	4.3
Source: U.S. Bureau of Labor Statistics				

Major Employers

The assessment area is home to several large businesses that employ a substantial portion of the local population. John Deere Harvester Works continues to be the largest employer in the area with 2,800 employees. The health care and manufacturing industries have a large impact on the employment conditions of the assessment area. Community representatives stated that during the review period, as businesses in the area continued to grow and expand, a challenge they faced was attracting qualified workers.

The table below presents the largest employers in the assessment area.

Largest Employers in the Assessment Area		
Company	**Number of Employees**	**Industry**
John Deere Harvester Works	2,800	Power Plants
Unity Point Health Moline	2,700	Hospitals
Trinity Pain Management Center	2,500	Pain Control
Tyson Fresh Meats	2,400	Meat Products (Manufacturing)
Unity Point Health-Rock Island	2,048	Hospitals
John Deere Davenport Works	2,000	Farm Equipment (Wholesale)
Arconic Incorporated	2,000	Titanium (Manufacturing)
Kraft Heinz Company	1,600	Food Products (Manufacturing)
Source: Business information provided by Infogroup®, Omaha, NE		

Community Representatives

Two community representatives were contacted to provide information about local housing, employment, and other economic conditions within the assessment area. Representatives listed affordable housing and small business lending as the assessment area's greatest needs. Contacts indicated that there is a lack of new affordable residential real estate construction in the MSA, including both single-family homes and apartments. Further, the contacts discussed that during the review period, businesses within the assessment area were finding it difficult to attract new qualified workers and that Scott County has bounced back from the previous economic recession at a faster pace than Rock Island County. Representatives did note that financial institutions within the community have been active and responsive to credit needs as a result of the COVID-19 pandemic, partaking in mortgage forebearance and loan accommodation programs.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE DAVENPORT-MOLINE- ROCK ISLAND, IA-IL METROPOLITAN STATISTICAL AREA - #19340

LENDING TEST

QCBT's performance relative to the Lending Test in the Davenport-Moline-Rock Island, Iowa-Illinois MSA #19340 is rated High Satisfactory based on the following major factors: lending levels reflect adequate responsiveness to the assessment area's credit needs; a high percentage of loans are made within the bank's assessment area; the geographic distribution of loans reflects good penetration throughout the assessment area; the distribution of borrowers reflects good penetration among borrowers of different income levels and business of different revenue sizes; and the bank exhibits a good record of serving the credit needs of low-income individuals and areas and very small businesses. Further, QCBT makes a relatively high level community development loans and makes use of innovative and flexible lending practices in serving assessment area credit needs.

Level of Lending Activity

Lending levels reflect adequate responsiveness to assessment area credit needs. QCBT originated a total of 867 HMDA- and CRA-reportable loans during the review period, totaling approximately $198.0 million. During the previous CRA performance evaulation, the bank originated 941 HMDA- and CRA-reportable loans totaling $215.7 million. Although overall lending activity experienced a slight decrease of 7.9 percent by number and 8.2 percent by dollar volume, the bank's lending activity is considered to have remained stable given current market and economic factors.

The bank remains primarily a commercial lender, as CRA-reportable small business loans comprised the majority of the bank's HMDA- and CRA-reportable lending activity during the review period. More specifically, the bank originated 573 CRA-reportable small business loans totaling approximately $127.0 million which comprised 64.1 percent, by dollar volume, of total HMDA- and CRA-reportable loans combined. This is similar to lending activity at at the previous evaluation, where the bank originated 540 CRA-reportable small business loans totaling $118.3 million, or 55.0 percent by dollar volume. This represents a slight increase of CRA-reportable small business lending of 6.1 percent by number and 7.4 percent by dollar volume since the prior evaluation, and continues to show the bank's commitment to serve the credit needs of the area they serve.

The table below presents the bank's HMDA- and CRA-reportable lending activity during the review period.

Summary of Lending Activity January 1, 2018 through December 31, 2019				
Loan Type	**#**	**%**	**$ (000s)**	**%**
Home Improvement	9	1.0	510	0.3
Home Purchase	187	21.6	38,195	19.3
Multi-Family Housing	15	1.7	6,240	3.2
Refinancing	76	8.8	25,062	12.7
Loan Purpose Not Applicable	1	0.1	43	0.0
Total HMDA Loans	**288**	**33.2**	**70,050**	**35.4**
Total Small Business Loans	**573**	**66.1**	**126,985**	**64.1**
Total Small Farm Loans	**6**	**0.7**	**937**	**0.5**
Total Loans	**867**	**100.0**	**197,972**	**100.0**
Note: Percentages may not add to 100.0 percent due to rounding.				

Assessment Area Concentration

A high percentage of loans are made within the bank's assessment area. More specifically, QCBT made 87.2 percent of its HMDA- and CRA-reportable loans by number, and 75.7 percent of total loans by dollar volume, within its assessment area during the review period. This is comparable to the bank's performance at the previous evaluation, during which time it made 89.2 percent by number, and 81.0 percent by dollar volume, of its HMDA- and CRA-reportable loans within the assessment area.

The bank's CRA-reportable small business lending reflects an even higher concentration of lending within the assessment area, at 91.4 percent by number and 86.9 percent by dollar volume, during the review period. HMDA-reportable loan activity represents a lower concentration of lending within the assessment area, at 80.6 percent by number and 56.6 percent by dollar volume; however, HMDA-reportable lending activity is overall significantly lower by number and dollar volume when compared to CRA-reportable small business lending. As aforementioned in the Scope of Examination section within this report, given that the bank is predominantly a commercial lender, CRA-reportable small business loan activity is weighted more heavily than HMDA-reportable loans as it relates to the lending test component of this evaulation.

The table below presents lending inside and outside the assessment area during the review period.

Lending Inside and Outside the Assessment Area January 1, 2018 through December 31, 2019								
	Inside				Outside			
	#	%	$ (000s)	%	#	%	$ (000s)	%
Home Improvement	9	100.0	510	100.0	0	0.0	0	0.0
Home Purchase - Conventional	154	82.4	22,769	59.6	33	17.6	15,427	40.4
Loan Purpose Not Applicable	1	100.0	43	100.0	0	0.0	0	0.0
Multi-Family Housing	12	80.0	4,844	77.6	3	20.0	1,396	22.4
Refinancing	56	73.7	11,493	45.9	20	26.3	13,569	54.1
Total HMDA related	**232**	**80.6**	**39,659**	**56.6**	**56**	**19.4**	**30,391**	**43.4**
Total Small Bus. related	**524**	**91.4**	**110,298**	**86.9**	**49**	**8.6**	**16,687**	**13.1**
Total Small Farm related	**0**	**0.0**	**0**	**0.0**	**6**	**100.0**	**937**	**100.0**
TOTAL LOANS	756	**87.2**	149,957	**75.7**	111	**12.8**	48,015	**24.3**
Note: Percentages may not add to 100.0 percent due to rounding.								

Geographic Distribution of Loans

The bank's lending activities reflect good distribution throughout the assessment area.

QCBT originated HMDA-and CRA-reportable loans in 88.5 percent of the 87 census tracts in the assessment area in 2019. These loans penetrated three of the four low-income census tracts and 21 of the 26 moderate-income census tracts. This is similar to geographic penetration across census tracts in 2018, where the bank originated loans in 92.0 percent of the 87 census tracts, including three of the four low-income census tracts and 23 of the 26 moderate-income census tracts. There were no conspicuous gaps in HMDA- and CRA-reportable lending across the bank's assessment area.

A breakdown of the bank's HMDA- and CRA-reportable lending is discussed in more detail below by individual products. Specific to HMDA-reportable lending, due to limited lending activity of home improvement, multi-family, other purpose lines of credit, other purpose closed/exempt, and loan purpose not applicable loans, only home purchase and refinance loans will be discsussed. As it relates to CRA-reportable lending, only small business loans are discussed as the bank did not originate any CRA-reportable small farm loans in the assessment area during the review period.

<u>HMDA-Reportable Lending</u>

Home Purchase Loans

The bank did not originate any home purchase loans in low-income census tracts in 2019. However, this was comparable to both the aggregate of lenders which only made 0.8 percent, by number, of HMDA-reportable home purchase loans in these census tracts, and the percentage of owner-occupied units in low-income census tracts, also at 0.8 percent. Finding opportunities to lend in low-income census tracts continues to be difficult with 62.8 percent of the housing serving as rental property and 20.9 percent of the properties listed as vacant. The bank made 26.2 percent, by number, of its home purchase loans in moderate-income census tracts in 2019. This resulted in the bank outperforming both the aggregate of lenders and the percentage of owner-occupied units comprising such tracts, at 15.6 percent and 18.3 percent, respectively.

As seen in the 2018 lending table located in Appendix C, home purchase lending was consistent with 2019 lending, where the bank originated zero loans in the low-income tracts, compared to 0.7 percent by aggregate lenders and 0.8 percent of owner-occupied units available in those tracts. Similar to 2019, home purchase loans originated in moderate-income tracts in 2018, at 28.1 percent by number, significantly outperformed aggregate lenders who made 16.3 percent of loans and the percentage of owner-occupied units in moderate-income tracts at 18.3 percent.

In 2019, the bank made 43.1 percent of its home purchase loans, by number, in middle-income census tracts, which was significantly below both the rate of aggregate lenders and the percentage of owner-occupied units comprising such tracts, at 55.0 percent and 58.1 percent, respectively. As it relates to upper-income census tracts, the bank made 30.8 percent, by number, of its home purchase loans in such tracts, which was comparable to the rate of aggregate lenders (28.6 percent) and the percentage of owner-occupied units comprising these tracts (22.7 percent).

The bank's lending activity in 2018, as it relates to home purchase loans originated in middle- and upper-income census tracts, reflected similar outcomes to that of 2019. More specifically, the bank made 50.6 percent of its 2018 home purchase loans in middle-income census tracts, below both the aggregate lenders at 56.4 percent and the percentage of owner-occupied housing in middle-income census tracts at 58.1 percent. Within upper-income census tracts, the bank made 21.3 percent of its 2018 home purchase loans, below the percentage of aggregate lenders at 26.6 percent but comparable to the percentage of owner-occupied housing in upper-income census tracts at 22.7 percent.

Refinance Loans

In 2019, the bank made 3.6 percent of its refinance loans, by number, in low-income census tracts. This resulted in the bank outperforming both the rate of aggregate lenders at 0.7 percent and the percentage of owner-occupied units in low-income census tracts at 0.8 percent. The bank made 10.7 percent of its refinance loans in moderate-income census tracts, which was similar to the percentage of loans made by aggregate lenders at 12.5 percent, and below the percentage of owner-occupied units in these tracts at 18.3 percent. Although refinance lending in moderate-income census tracts was below both the rate of aggregate lenders and the percentage of owner-occupied units comprising such tracts, the bank originated a limited number of refinance loans in 2019 overall at 28 total loans.

Refinance lending performance in low- and moderate-income census tracts in 2018 is consistent with that of 2019. To summarize, the bank made 3.6 percent of its refinance loans, by number, in low-income census tracts. This resulted in the bank outperforming both the rate of aggregate lenders at 1.0 percent and the percentage of owner-occupied units in low-income census tracts at 0.8 percent. The bank originated 17.9 percent of its refinance loans in moderate-income census tracts. This is comparable to both the rate of aggregate lenders at 16.8 percent, and the percentage of owner-occupied units in those tracts at 18.3 percent.

The bank made 25.0 percent of its refinance loans, by number, in middle-income census tracts in 2019. This was significantly below the performance of the aggregate of lenders which made 53.4 percent of such loans and the percentage of owner-occupied units at 58.1 percent. Coversely, the bank significantly outperformed the rate of aggregate lenders (33.4 percent) and the percentage of owner-occupied units (22.7 percent) in upper-income census tracts by originating 60.7 percent of its refinance loans in such tracts in 2019. As aforementioned, the bank's total number of refinance loans originated in 2019 is relatively low.

Refinance lending in middle- and upper-income census tracts in 2018 reflected similar outcomes to 2019. The bank made 35.7 percent of its refinance loans in middle-income census tracts, which was significantly below the aggregate lenders who made 56.7 percent and the percentage of owner-occupied housing in middle-income census tracts at 58.1 percent. Conversely, the bank significantly exceeded the percentage of aggregate lenders at 25.5 percent and the percentage of owner-occupied housing in upper-income census tracts at 22.7 percent, by originating 42.9 percent of its refinance loans in these tracts.

The table below presents the 2019 geographic distribution of HMDA-reportable loans in the assessment area. The 2018 geographic distribution table of HMDA-reportable loans can be found in Appendix C.

Geographic Distribution of HMDA Reportable Loans								
Assessment Area: 2019 Davenport-Moline-Rock Island, IA-IL MSA 19340								
Product Type	**Tract Income Levels**	**Bank & Aggregate Lending Comparison 2019**						**Owner Occupied % of Units**
		Count			**Dollar**			
		Bank		**Agg**	**Bank**		**Agg**	
		#	**%**	**%**	**$ (000s)**	**$ %**	**$ %**	
Home Purchase	Low	0	0.0	0.8	0	0.0	0.4	0.8
	Moderate	17	26.2	15.6	1,299	12.3	8.8	18.3
	Middle	28	43.1	55.0	3,758	35.7	49.0	58.1
	Upper	20	30.8	28.6	5,472	52.0	41.9	22.7
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	**65**	**100.0**	**100.0**	**10,529**	**100.0**	**100.0**	**100.0**
Refinance	Low	1	3.6	0.7	97	1.5	0.3	0.8
	Moderate	3	10.7	12.5	262	4.0	6.6	18.3
	Middle	7	25.0	53.4	331	5.1	46.5	58.1
	Upper	17	60.7	33.4	5,823	89.4	46.6	22.7
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	**28**	**100.0**	**100.0**	**6,513**	**100.0**	**100.0**	**100.0**
Home Improvement	Low	0	0.0	0.0	0	0.0	0.0	0.8
	Moderate	0	0.0	13.0	0	0.0	10.8	18.3
	Middle	3	100.0	53.4	259	100.0	50.2	58.1
	Upper	0	0.0	33.7	0	0.0	39.0	22.7
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	**3**	**100.0**	**100.0**	**259**	**100.0**	**100.0**	**100.0**
Multi-Family								**Multi-Family**
	Low	0	0.0	7.8	0	0.0	11.6	9.2
	Moderate	3	60.0	27.2	1,635	62.0	7.7	22.5
	Middle	0	0.0	47.6	0	0.0	52.5	51.8
	Upper	2	40.0	17.5	1,000	38.0	28.2	16.5
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	**5**	**100.0**	**100.0**	**2,635**	**100.0**	**100.0**	**100.0**
Other Purpose LOC	Low	0	0.0	0.0	0	0.0	0.0	0.8
	Moderate	0	0.0	6.5	0	0.0	3.3	18.3
	Middle	0	0.0	57.2	0	0.0	48.6	58.1
	Upper	0	0.0	36.3	0	0.0	48.1	22.7
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	**0**	**0.0**	**100.0**	**0**	**0.0**	**100.0**	**100.0**
Other Purpose Closed/Exempt	Low	0	0.0	0.5	0	0.0	0.1	0.8
	Moderate	0	0.0	17.4	0	0.0	12.1	18.3
	Middle	0	0.0	59.0	0	0.0	53.3	58.1
	Upper	0	0.0	23.1	0	0.0	34.5	22.7
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	**0**	**0.0**	**100.0**	**0**	**0.0**	**100.0**	**100.0**
Loan Purpose Not Applicable	Low	0	0.0	0.4	0	0.0	0.1	0.8
	Moderate	0	0.0	27.0	0	0.0	18.4	18.3
	Middle	0	0.0	59.7	0	0.0	60.8	58.1
	Upper	0	0.0	12.9	0	0.0	20.8	22.7
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	**0**	**0.0**	**100.0**	**0**	**0.0**	**100.0**	**100.0**
HMDA Totals	Low	1	1.0	0.7	97	0.5	1.8	0.8
	Moderate	23	22.8	14.7	3,196	16.0	8.0	18.3
	Middle	38	37.6	54.6	4,348	21.8	48.8	58.1
	Upper	39	38.6	30.0	12,295	61.7	41.4	22.7
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	**101**	**100.0**	**100.0**	**19,936**	**100.0**	**100.0**	**100.0**

Originations & Purchases
2016 FFIEC Census Data
Note: Percentages may not add to 100.0 percent due to rounding

CRA-Reportable Lending

Small Business Loans

In 2019, the bank's performance was consistent with the rate of aggregate lenders and the percentage of total businesses within low-income census tracts. QCBT made 7.3 percent of CRA-reportable small business loans, by number, in low-income census tracts, compared to the aggregate of lenders at 5.2 percent, and the percentage of total businesses in such tracts at 6.6 percent. The bank made 13.4 percent, by number, of its CRA-reportable small business loans in moderate-income census tracts. This was below both the rate of aggregate lenders (21.8 percent) and the percentage of total businesses located in moderate-income census tracts (20.1 percent), but the difference was not significant.

The bank's CRA-reportable small business lending in 2018 reflected similar activity in low- and moderate-income census tracts when compared to 2019. The bank's rate (6.8 percent) was similar to the that of aggregate lenders (6.1 percent) and the percentage of total businesses in low-income census tracts (6.4 percent). The bank originated 16.7 percent of its small business loans in moderate-income census tracts in 2018, performing slightly under aggregate lenders and the percentage of total businesses, both at 20.3 percent.

The bank made 47.5 percent of its small business loans, by number, in middle-income census tracts. This was comparable to the rate of aggregate lenders at 45.4 percent, by number, and the percent of total businesses that are located in these tracts at 48.0 percent. The bank made 31.8 percent of its small business loans, by number, in upper-income census tracts which exceeded the rate of aggregate lenders at 26.1 percent and the percent of total businesses in these census tracts at 25.4 percent.

The bank's CRA-reportable small business lending in 2018 was comparable to 2019 in middle- and upper-income census tracts. The bank made 44.5 percent of its small business loans, by number, in middle-income census tracts, which is similar to the rate of aggregate lenders at 45.1 percent and slightly below the percentage of total businesses in these census tracts at 48.0 percent. Small business lending in upper-income census tracts, at 31.9 percent by number, was slightly above both the rate of aggregate lenders at 27.2 percent and above the percentage of small businesses located in upper-income census tracts at 25.3 percent.

The table below presents the geographic distribution of CRA-reportable small business loans in the assessment area in 2019. The lending table showing geographic distribution of small business loans in 2018 can be found in Appendix C.

Geographic Distribution of Small Business Loans Assessment Area: 2019 Davenport-Moline-Rock Island, IA-IL MSA 19340								
	Tract Income Levels	Bank & Aggregate Lending Comparison 2019						Total Businesses
		Count			Dollar			
		Bank		Agg	Bank		Agg	
		#	%	%	$ (000s)	$ %	$ %	%
Small Business	Low	19	7.3	5.2	4,568	8.1	6.8	6.6
	Moderate	35	13.4	21.8	8,961	15.8	24.3	20.1
	Middle	124	47.5	45.4	27,052	47.8	47.2	48.0
	Upper	83	31.8	26.1	16,049	28.3	21.3	25.4
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Tr Unknown			1.4			0.4	
	Total	**261**	**100.0**	**100.0**	**56,630**	**100.0**	**100.0**	**100.0**

Originations & Purchases
2019 FFIEC Census Data & 2019 Dun & Bradstreet information according to 2015 ACS
Note: Percentages may not add to 100.0 percent due to rounding

Lending to Borrowers of Different Income Levels and Lending to Businesses of Different Sizes

The bank's lending activities reflect good distribution, particularly in its assessment area, of loans among individuals of different income levels and businesses of different sizes, given the product lines offered by the bank.

A breakdown of the bank's HMDA- and CRA-reportable lending is discussed in more detail below by individual products. Specific to HMDA-reportable lending, due to limited lending activity of home improvement, multi-family, other purpose lines of credit, other purpose closed/exempt, and loan purpose not applicable loans, only home purchase and refinance loans will be discsussed. As it relates to CRA-reportable lending, only small business loans are discussed as the bank did not originate any CRA-reportable small farm loans in the assessment area during the review period.

<u>HMDA-Reportable Lending</u>

Home Purchase Loans

In 2019, the bank made 27.7 percent of its home purchase loans, by number, to low-income borrowers, significantly exceeding the rate of aggregate lenders at 10.8 percent and exceeding the demographic figure, at 20.1 percent, of assessment area families of low-income. The bank made 30.8 percent of its home purchase loans, by number, to moderate-income borrowers. This resulted in the bank outperforming the rate of aggregate lenders at 21.6 percent and significantly exceeding the percentage of moderate-income families comprising the assessment area at 17.9 percent.

As seen in the 2018 table in Appendix C, the bank's performance of lending to low- and moderate-income borrowers was consistent with its performance in 2019. The bank originated 36.0 percent, by number, of home purchase loans to low-income borrowers. This significantly exceeded the rate of aggregate lenders at 11.5 percent and the percentage of low-income families in the assessment area at 20.1 percent. The bank originated 23.6 percent of its home purchase loans to moderate-income borrowers which slightly exceeded both the rate of aggregate lenders at 20.1 percent and exceeded the percentage of moderate-income families in the assessment area at 17.9 percent.

In 2019, the bank made 6.2 percent of its home purchase loans, by number, to middle-income borrowers, which was significantly less than the rate of aggregate of lenders at 21.2 percent and the percentage of middle-income families in the assessment area at 21.3 percent. The bank made 27.7 percent of its home purchase loans to upper-income borrowers, falling below the rate of aggregate lenders at 32.1 percent, by number, and significantly below the percentage of upper-income families in the assessment area at 40.7 percent. Lastly, the bank made 7.7 percent of its home purchase loans, by number, to borrowers of unknown income, which was below the rate of aggregate lenders at 14.3 percent.

The bank's home purchase lending to middle-, upper-, and unknown-income borrowers was similar in 2018. The bank originated 6.7 percent of home purchase loans, by number, to middle-income borrowers. This was significantly below the rate of aggregate lenders at 22.3 percent, as well as the percentage of middle-income families in the assessment area at 21.3 percent. Lending to upper-income borrowers, at 19.1 percent, was also significantly below the rate of aggregate lenders at 30.1 percent, and the percentage of upper-income families in the assessment area at 40.7 percent. Lastly, the bank also originated 14.6 percent of its home purchase loans, by number, to borrowers of unknown income. This is comparable to aggregate lenders who originated 16.0 percent to borrowers of unknown income.

Refinance Loans

In 2019, the bank made 10.7 percent of its refinance loans, by number, to low-income borrowers, which exceeded the rate of aggregate lenders at 6.3 percent. However, the bank's refinance lending was below the percentage of low-income families comprising the assessment area at 20.1 percent. The bank made 17.9 percent of its refinance loans, by number, to moderate-incomeborrowers. This was slightly above the rate of aggregate lenders at 15.2 percent, by number, and comparable to the percentage of moderate-income families in the assessment area at 17.9 percent.

The bank's lending performance to low-income borrowers was below the performance exhibited in 2019. The bank did not originate any refinance loans to low-income borrowers in 2018, performing below the rate of aggregate lenders and the percentage of low-income families comprising the assessment area. The same trend is present with the bank's 2018 refinance lending to moderate-income borrowers, as zero loans were made to such borrowers, performing below the rate of aggregate lenders and the percentage of moderate-income families comprising the assessment area. While opportunity exists to originate refinance loans to LMI families, competition from area financial institutions tend to limit these opportunities. Furthermore, the bank's total refinance loan originations were limited in 2018, totaling only 28 in number.

In 2019, the bank made 7.1 percent of its refinance loans, by number, to middle-income borrowers, which was significantly below the rate of aggregate lenders at 20.9 percent and the percentage of middle-income families at 21.3 percent. The bank made 53.6 percent of its refinance loans, by number, to upper-income borrowers, which significantly exceeded both the rate of aggregate lenders (41.5 percent) and the percentage of upper-income families comprising the assessment area at 40.7 percent. Lastly, the bank made 10.7 percent of its refinance loans, by number, to borrowers of unknown income, falling below the rate of aggregate of lenders at 16.1 percent.

The bank's refinance lending to middle-, upper-, and unknown-income borrowers was similar in 2018. The bank originated 7.1 percent of its refinance loans to middle-income borrowers, which was significantly below the rate of aggregate lenders at 22.2 percent and the percentage of middle-income families in the assessment area at 21.3 percent. Lending to upper-income borrowers, at 57.1 percent, by number, also significantly exceeded the rate of aggregate lenders at 33.0 percent, and the percentage of upper-income families in the assessment area at 40.7 percent. The one noted difference is the significant amount of refinance loans the bank made to unknown-income borrowers in 2018, relatively speaking, which accounted for 35.7 percent of total refinance loans. This resulted in the bank significantly outperforming the rate of aggregate lenders at 16.5 percent of loans to borrowers of uknown income.

The table below presents the borrower distribution of HMDA-reportable loans in the assessment area in 2019. The table for borrower distribution of HMDA-reportable loans in 2018 can be found in Appendix C.

Borrower Distribution of HMDA Reportable Loans

Assessment Area: 2019 Davenport-Moline-Rock Island, IA-IL MSA 19340

Product Type	Borrower Income Levels	Bank & Aggregate Lending Comparison 2019						Families by Family Income
		Count			Dollar			
		Bank		Agg	Bank		Agg	
		#	%	%	$(000s)	$ %	$ %	%
Home Purchase	Low	18	27.7	10.8	1,406	13.4	5.9	20.1
	Moderate	20	30.8	21.6	2,353	22.3	15.5	17.9
	Middle	4	6.2	21.2	596	5.7	20.1	21.3
	Upper	18	27.7	32.1	5,431	51.6	44.8	40.7
	Unknown	5	7.7	14.3	743	7.1	13.8	0.0
	Total	**65**	**100.0**	**100.0**	**10,529**	**100.0**	**100.0**	**100.0**
Refinance	Low	3	10.7	6.3	146	2.2	3.1	20.1
	Moderate	5	17.9	15.2	468	7.2	9.1	17.9
	Middle	2	7.1	20.9	228	3.5	16.2	21.3
	Upper	15	53.6	41.5	5,563	85.4	54.3	40.7
	Unknown	3	10.7	16.1	108	1.7	17.3	0.0
	Total	**28**	**100.0**	**100.0**	**6,513**	**100.0**	**100.0**	**100.0**
Home Improvement	Low	0	0.0	7.4	0	0.0	5.4	20.1
	Moderate	0	0.0	14.5	0	0.0	11.2	17.9
	Middle	0	0.0	23.6	0	0.0	18.6	21.3
	Upper	0	0.0	45.6	0	0.0	51.6	40.7
	Unknown	3	100.0	8.9	259	100.0	13.3	0.0
	Total	**3**	**100.0**	**100.0**	**259**	**100.0**	**100.0**	**100.0**
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0	20.1
	Moderate	0	0.0	1.9	0	0.0	0.1	17.9
	Middle	0	0.0	0.0	0	0.0	0.0	21.3
	Upper	0	0.0	6.8	0	0.0	1.8	40.7
	Unknown	5	100.0	91.3	2,635	100.0	98.1	0.0
	Total	**5**	**100.0**	**100.0**	**2,635**	**100.0**	**100.0**	**100.0**
Other Purpose LOC	Low	0	0.0	7.0	0	0.0	6.2	20.1
	Moderate	0	0.0	15.9	0	0.0	8.2	17.9
	Middle	0	0.0	21.4	0	0.0	21.4	21.3
	Upper	0	0.0	54.2	0	0.0	63.6	40.7
	Unknown	0	0.0	1.5	0	0.0	0.7	0.0
	Total	**0**	**0.0**	**100.0**	**0**	**0.0**	**100.0**	**100.0**
Other Purpose Closed/Exempt	Low	0	0.0	13.6	0	0.0	9.5	20.1
	Moderate	0	0.0	20.5	0	0.0	16.8	17.9
	Middle	0	0.0	27.1	0	0.0	25.1	21.3
	Upper	0	0.0	36.7	0	0.0	45.6	40.7
	Unknown	0	0.0	2.1	0	0.0	3.0	0.0
	Total	**0**	**0.0**	**100.0**	**0**	**0.0**	**100.0**	**100.0**
Loan Purpose Not Applicable	Low	0	0.0	0.9	0	0.0	0.4	20.1
	Moderate	0	0.0	2.1	0	0.0	2.2	17.9
	Middle	0	0.0	0.4	0	0.0	0.5	21.3
	Upper	0	0.0	0.4	0	0.0	0.3	40.7
	Unknown	0	0.0	96.1	0	0.0	96.5	0.0
	Total	**0**	**0.0**	**100.0**	**0**	**0.0**	**100.0**	**100.0**
HMDA Totals	Low	21	20.8	8.9	1,552	7.8	4.2	20.1
	Moderate	25	24.8	18.5	2,821	14.2	11.2	17.9
	Middle	6	5.9	20.8	824	4.1	16.1	21.3
	Upper	33	32.7	35.5	10,994	55.1	42.3	40.7
	Unknown	16	15.8	16.3	3,745	18.8	26.2	0.0
	Total	**101**	**100.0**	**100.0**	**19,936**	**100.0**	**100.0**	**100.0**

Originations & Purchases
2016 FFIEC Census Data
Note: Percentages may not add to 100.0 percent due to rounding

CRA-Reportable Lending

Small Business Loans

In 2019, the bank made 49.4 percent of its small business loans, by number, to businesses reporting annual revenues of $1.0 million or less, which was comparable to the rate of aggregate lenders at 51.9 percent. Of these loans, 72.1 percent had a loan amount of $100,000 or less, which is reflective of loans most responsive to the smallest businesses. Businesses reporting annual revenues of $1.0 million or less represented 89.3 percent of assessment area businesses.

The remainder of the bank's 2019 small business loans, at 50.6 percent, by number, were made to businesses reporting annual revenues of over $1.0 million or unknown revenues. This was comparable to the rate of aggregate of lenders at 48.1 percent of such loans, by number. However, the bank's lending was significantly above the percent of businesses reporting annual revenues of over $1.0 million comprising the assessment area at 10.7 percent.

As seen in the 2018 table in Appendix C, the bank's record of lending to businesses of different revenue sizes was consistent with 2019 lending. Of the bank's total business loans, 53.6 percent were originated to businesses with revenues of $1.0 million or less. This was consistent with the rate of aggregate lenders (52.3 percent). Of the bank's total small business loans made to businesses with revenues of $1.0 million or less, 53.6 percent were loan amounts of $100,000 or less. The bank's performance was below the percent of businesses reporting annual revenues of $1.0 million or less within the assessment area at 88.9 percent.

The table below presents the borrower distribution of small business loans in the assessment area in 2019. The borrower distribution table for small business loans in 2018 can be found in Appendix C.

Small Business Lending By Revenue & Loan Size Assessment Area: 2019 Davenport-Moline-Rock Island, IA-IL MSA 19340									
Product Type			Bank & Aggregate Lending Comparison 2019						
			Count			Dollar			Total Businesses
			Bank		Agg	Bank		Agg	
			#	%	%	$ 000s	$ %	$ %	%
Small Business	Revenue	$1 Million or Less	129	49.4	51.9	15,780	27.9	39.1	89.3
		Over $1 Million or Unknown	132	50.6	48.1	40,850	72.1	60.9	10.7
		Total	**261**	**100.0**	**100.0**	**56,630**	**100.0**	**100.0**	**100.0**
	Loan Size	$100,000 or Less	139	53.3	88.9	7,101	12.5	27.8	
		$100,001 - $250,000	53	20.3	5.2	9,789	17.3	16.2	
		$250,001 - $1 Million	69	26.4	5.9	39,740	70.2	56.0	
		Total	**261**	**100.0**	**100.0**	**56,630**	**100.0**	**100.0**	
	Loan Size & Rev $1 Mill or Less	$100,000 or Less	93	72.1		4,393	27.8		
		$100,001 - $250,000	20	15.5		3,247	20.6		
		$250,001 - $1 Million	16	12.4		8,140	51.6		
		Total	**129**	**100.0**		**15,780**	**100.0**		

Originations & Purchases
2019 FFIEC Census Data & 2019 Dun & Bradstreet information according to 2015 ACS
Note: Percentages may not add to 100.0 percent due to rounding

Community Development Lending

The bank makes a relatively high level of community development loans. During the review period, the bank made 57 loans worth a total of approximately $66.9 million in the assessment area. Although, the bank made more loans by number volume, the dollar volume was less than at the previous examination where the bank made 38 loans for $83.4 million. This decrease can be attributed to the COVID-19 pandemic that started at the beginning of 2020. The bank provided more community development loans in smaller amounts based on the needs of the assessment area during the pandemic. The bank was heavily involved in the Paycheck Protection Program (PPP), which provided small businesses with funding in a time of need. These loans were for smaller amounts than community development loans that were originated during the previous review period. This shows the bank's willingness to adapt based on the needs of the assessment area.

Of the bank's 57 qualified community development loans, 40 were new for this exam and 17 were renewals of previous period loans. Community development loans focused on affordable housing, community services, as well as revitalization efforts as displayed in the table below. The majority of community development loans originated with the purpose of revitalize/stabilize were PPP loans. These loans were designed to assist the efforts of small businesses and to keep their workforce employed during the COVID-19 pandemic. Through these PPP loans, the bank was responsive to the specific credit needs of the assessment area during a difficult time. Other community development loans focused on providing affordable housing to LMI individuals and specific services to LMI individuals, such as mental health services and medical care assistance.

QCBT exhibits a good record of serving the credit needs of low-income individuals and areas and very small businesses. Further, the bank makes use of innovative and flexible lending practices in serving assessment area credit needs. The bank recently became a PPP portal partner though StreetShares. This allows the bank to be a listed as a PPP provider on the organization's application. These applications are designed to target areas of the Quad Cities with high levels of LMI census tracts. The bank also introduced CRA-specific goals for commercial loan officers in 2021. This includes reviewing LMI census tracts to identify potential business loan needs, and working with deposit-only customers to determine if there are any additional credit needs they can assist with.

Qualified Community Development Loans

Assessment Area	Affordable Housing		Economic Development		Revitalization and Stabilization		Community Services		Total		
	#	$ (000s)	#	$ (000s)	#	$ (000s)	#	$ (000s)	#	$ (000s)	% of Total $
Davenport-Moline-Rock Island, Iowa-Illinois MSA	8	11,375	0	0	24	26,825	25	28,655	57	66,855	100.0

INVESTMENT TEST

QCBT's performance relative to the Investment Test in the Davenport-Moline-Rock Island, Iowa-Illinois MSA #19340 is High Satisfactory based on a significant level of qualified community development investments and grants, occasional use of innovative and complex investments, and good responsiveness to credit and community development needs.

The bank made a significant level of qualified community development investments and grants, particularly those not rountinely provided by private investors, occassionally in a leadership position. During the review period, the bank made approximately $2.6 million in new investments and maintained $11.2 million in prior period investments. Total investment activity increased 30.2 percent since the previous evaluation. During that time, QCBT made $1.9 million in new investments and maintained $8.7 million in prior period investments.

The bank's donations totaled $748,443 within the delineated assessment area, and one donation of $100.00 was made to an organization outside the bank's assessment area. This is an increase from the previous evaluation during which time donations totaled $529,876 in the Quad City MSA. Donations were primarily for community service organizations offering pandemic recovery services, providing food to low-income residents, and assistance to low-income and at risk children.

The bank makes occasional use of innovative and/or complex investments to support community initiatives. Of the bank's 26 qualified investments, only two were new. However, the bank did invest $2.0 million in a project eligible for Low-Income Housing Tax Credits (LIHTCs). These are particularly complex investments, taking substantial knowledge and time commitment to properly manage.

The bank exhibits good responsiveness to credit and community development needs. The community contacts stated that the assessment area is in need of affordable housing. Of the $13.8 million in total qualified community development investments, $2.5 million went towards affordable housing investments within the assessment area. Additionally, the bank sponsors a local gift card promotion that provides an incentive for individuals to shop and support local businesses.

Qualified Community Development Investments											
Assessment Area	Affordable Housing		Economic Development		Revitalization and Stabilization		Community Services		Total		
	#	$ (000s)	#	$ (000s)	#	$ (000s)	#	$ (000s)	#	$ (000s)	% of Total $
Davenport-Moline-Rock Island, Iowa-Illinois MSA	2	2,555	0	0	8	5,364	16	5,898	26	13,817	100.0

Qualified Community Development Donations											
Assessment Area	Affordable Housing		Economic Development		Revitalization and Stabilization		Community Services		Total		
	#	$ (000s)	#	$ (000s)	#	$ (000s)	#	$ (000s)	#	$ (000s)	% of Total $
Davenport-Moline-Rock Island, Iowa-Illinois MSA	6	20	3	39	3	8	134	681	146	748	100.0

SERVICE TEST

QCBT's performance relative to the Service Test in the Davenport Moline- Rock Island, Iowa-Illinois MSA #19340 is rated High Satisfactory based on the following: delivery systems are accessible to the bank's geographies and individuals of different income levels in the assessment area. The bank's record of opening and closing branches and ATMs has not adversely affected the accessibility of its delivery systems, particularly to LMI geographies and individuals. Services do not vary in a way that inconveniences the bank's assessment area, particularly to LMI geographies and individuals. QCBT provides a relatively high level of community development services to the assessment area.

Retail Services

The bank's retail delivery services are readily accessible to geographies and individuals of different income levels in its assessment area. To the extent changes have been made, its record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly in low- or moderate-income geographies or to low- or moderate-income individuals. Its services (including, where appropriate, business hours) do not vary in a way that inconveniences its assessment area, particularly low- or moderate-income geographies or low- or moderate-income individuals.

Delivery systems are readily accessible to the bank's geographies and individuals of different income levels in the assessment area. QCBT maintains five branches and 14 ATMs distributed throughout the assessment area, including LMI geographies. One branch is located in a moderate-income census tract which provides branch coverage to the LMI communities within the assessment area. Moreover, the bank maintains branches in middle-income geographies located in proximity to LMI communities, providing additional options for in-person banking to local residents. The bank also operates one cash-only ATM in a low-income census tract, five cash-only ATMs in moderate-income census tracts, and two full-service ATMs in moderate-income census tracts.

QCBT's record of opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly to LMI geographies and individuals. Of note, this factor received no weight in determining the Retail Services rating given that no changes were made to the bank's branches or ATMs since the previous evaluation. Offices are generally open 9:00 a.m. to 5:00 p.m., Monday through Friday, with extended drive-up hours from 7:30 a.m. to 5:30 p.m. each day. Saturday hours include drive-up services from 7:30 a.m. to noon, with two locations offering lobby services from 9:00 a.m. to noon on Saturdays. Additional services can be accessed through telephone banking, online banking, and mobile banking which includes remote deposit capture services.

Services do not vary in a way that inconveniences the bank's assessment area, particularly LMI geographies and individuals. The bank offers a standard range of products and services at all locations. The bank also provides additional services such as a down payment assistance program and has a dedicated CRA lender in place to identify community development opportunities and to gain a better understanding of the need of the area.

Community Development Services

QCBT provides a relatively high level of community development services to its assessment area.

The bank contributed a beneficial 3,931.5 hours of service to the Quad City MSA, and 125 hours of community development services to an organization outside of its assessment area. This is a 35.0 percent decrease in hours contributed since the previous evaluation, during which time the bank contributed 6,045 hours of service to its community. The decrease can be attributed to a three month shorter review period when compared to the previous examination, as well as the COVID-19 pandemic that started in 2020 and presented challenges and limited opportunities for the bank to provide many of the services that would have previously been provided in an in-person environment.

The vast majority of hours served, 3,727, fell into the community services designation. Bank employees served on nonprofit Boards of Directors, donating their time and technical knowledge to these local organizations. An additional 13 hours of community development services went to serving on the board of an economic development organization and 191.5 hours were spent serving on the boards of organizations that provide low-income housing opportunities.

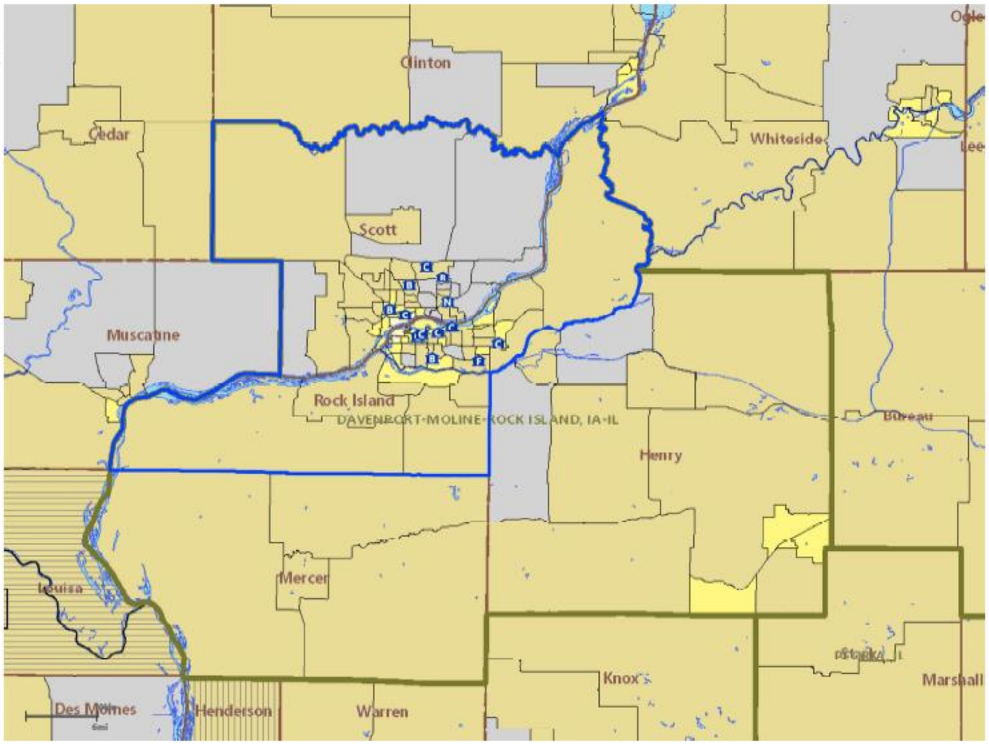
The table below displays community development services in the assessment area during the review period.

Qualified Community Development Services					
Assessment Area	Affordable Housing	Economic Development	Revitalization and Stabilization	Community Services	Total
	# of Hours	# of Hours	# of Hours	# of Hours	# of Hours
Davenport-Moline-Rock Island, Iowa-Illinois MSA	191.5	13	0	3,727	3,931.5

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

APPENDIX A – Map of Assessment Area



APPENDIX B – 2018 Assessment Area Combined Demographics Table

Assessment Area: 2018 Davenport-Moline-Rock Island, IA-IL MSA 19340								
Income Categories	**Tract Distribution**		**Families by Tract Income**		**Families < Poverty Level as % of Families by Tract**		**Families by Family Income**	
	#	%	#	%	#	%	#	%
Low-income	4	4.6	1,566	2.0	551	35.2	16,098	20.1
Moderate-income	26	29.9	15,617	19.5	2,679	17.2	14,333	17.9
Middle-income	43	49.4	45,864	57.3	4,020	8.8	17,006	21.3
Upper-income	14	16.1	16,973	21.2	540	3.2	32,583	40.7
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	**87**	**100.0**	**80,020**	**100.0**	**7,790**	**9.7**	**80,020**	**100.0**
	Housing Units by Tract	**Housing Types by Tract**						
		Owner-Occupied			**Rental**		**Vacant**	
		#	%	%	#	%	#	%
Low-income	4,530	735	0.8	16.2	2,846	62.8	949	20.9
Moderate-income	31,422	16,147	18.3	51.4	11,724	37.3	3,551	11.3
Middle-income	75,888	51,199	58.1	67.5	20,051	26.4	4,638	6.1
Upper-income	26,751	19,976	22.7	74.7	5,422	20.3	1,353	5.1
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	**138,591**	**88,057**	**100.0**	**63.5**	**40,043**	**28.9**	**10,491**	**7.6**
	Total Businesses by Tract		**Businesses by Tract & Revenue Size**					
			Less Than or = $1 Million		**Over $1 Million**		**Revenue Not Reported**	
	#	%	#	%	#	%	#	%
Low-income	794	6.4	660	6.0	126	10.3	8	5.4
Moderate-income	2,512	20.3	2,209	20.1	278	22.8	25	16.8
Middle-income	5,935	48.0	5,244	47.7	615	50.4	76	51.0
Upper-income	3,125	25.3	2,883	26.2	202	16.5	40	26.8
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	**12,366**	**100.0**	**10,996**	**100.0**	**1,221**	**100.0**	**149**	**100.0**
	Percentage of Total Businesses:			**88.9**		**9.9**		**1.2**
	Total Farms by Tract		**Farms by Tract & Revenue Size**					
			Less Than or = $1 Million		**Over $1 Million**		**Revenue Not Reported**	
	#	%	#	%	#	%	#	%
Low-income	2	0.5	2	0.5	0	0.0	0	0.0
Moderate-income	7	1.7	7	1.7	0	0.0	0	0.0
Middle-income	265	64.8	263	65.3	2	33.3	0	0.0
Upper-income	135	33.0	131	32.5	4	66.7	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	**409**	**100.0**	**403**	**100.0**	**6**	**100.0**	**0**	**0.0**
	Percentage of Total Farms:			**98.5**		**1.5**		**0.0**
2018 FFIEC Census Data & 2018 Dun & Bradstreet information according to 2015 ACS								
Note: Percentages may not add to 100.0 percent due to rounding								

APPENDIX C – 2018 Lending Tables

Geographic Distribution of HMDA Reportable Loans
Assessment Area: 2018 Davenport-Moline-Rock Island, IA-IL MSA 19340

Product Type	Tract Income Levels	Bank & Aggregate Lending Comparison 2018 Count Bank #	Count Bank %	Count Agg %	Dollar Bank $ (000s)	Dollar Bank $ %	Dollar Agg $ %	Owner Occupied % of Units
Home Purchase	Low	0	0.0	0.7	0	0.0	0.3	0.8
	Moderate	25	28.1	16.3	2,012	16.4	9.5	18.3
	Middle	45	50.6	56.4	6,886	56.3	52.1	58.1
	Upper	19	21.3	26.6	3,342	27.3	38.1	22.7
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	**89**	**100.0**	**100.0**	**12,240**	**100.0**	**100.0**	**100.0**
Refinance	Low	1	3.6	1.0	137	2.7	0.6	0.8
	Moderate	5	17.9	16.8	341	6.8	12.4	18.3
	Middle	10	35.7	56.7	1,264	25.4	51.0	58.1
	Upper	12	42.9	25.5	3,238	65.0	36.0	22.7
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	**28**	**100.0**	**100.0**	**4,980**	**100.0**	**100.0**	**100.0**
Home Improvement	Low	0	0.0	0.6	0	0.0	0.2	0.8
	Moderate	1	16.7	15.1	20	8.0	10.9	18.3
	Middle	2	33.3	52.2	160	63.8	50.4	58.1
	Upper	3	50.0	32.0	71	28.3	38.4	22.7
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	**6**	**100.0**	**100.0**	**251**	**100.0**	**100.0**	**100.0**
Multi-Family								**Multi-Family**
	Low	0	0.0	12.3	0	0.0	9.5	9.2
	Moderate	2	28.6	33.6	843	38.2	14.7	22.5
	Middle	3	42.9	41.8	843	38.2	60.5	51.8
	Upper	2	28.6	12.3	523	23.7	15.3	16.5
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	**7**	**100.0**	**100.0**	**2,209**	**100.0**	**100.0**	**100.0**
Other Purpose LOC	Low	0	0.0	0.0	0	0.0	0.0	0.8
	Moderate	0	0.0	8.7	0	0.0	7.9	18.3
	Middle	0	0.0	55.0	0	0.0	49.1	58.1
	Upper	0	0.0	36.2	0	0.0	43.0	22.7
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	**0**	**0.0**	**100.0**	**0**	**0.0**	**100.0**	**100.0**
Other Purpose Closed/Exempt	Low	0	0.0	0.8	0	0.0	0.7	0.8
	Moderate	0	0.0	15.6	0	0.0	12.1	18.3
	Middle	0	0.0	58.9	0	0.0	49.9	58.1
	Upper	0	0.0	24.7	0	0.0	37.4	22.7
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	**0**	**0.0**	**100.0**	**0**	**0.0**	**100.0**	**100.0**
Loan Purpose Not Applicable	Low	0	0.0	1.5	0	0.0	0.8	0.8
	Moderate	0	0.0	25.3	0	0.0	18.8	18.3
	Middle	1	100.0	64.0	43	100.0	64.8	58.1
	Upper	0	0.0	9.2	0	0.0	15.6	22.7
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	**1**	**100.0**	**100.0**	**43**	**100.0**	**100.0**	**100.0**
HMDA Totals	Low	1	0.8	0.9	137	0.7	1.0	0.8
	Moderate	33	25.2	16.6	3,215	16.3	10.7	18.3
	Middle	61	46.6	56.3	9,196	46.6	52.6	58.1
	Upper	36	27.5	26.2	7,175	36.4	35.6	22.7
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	**131**	**100.0**	**100.0**	**19,723**	**100.0**	**100.0**	**100.0**

Originations & Purchases
2016 FFIEC Census Data
Note: Percentages may not add to 100.0 percent due to rounding

Geographic Distribution of Small Business Loans Assessment Area: 2018 Davenport-Moline-Rock Island, IA-IL MSA 19340								
	Tract Income Levels	Bank & Aggregate Lending Comparison 2018						Total Businesses
		Count			Dollar			
		Bank		Agg	Bank		Agg	
		#	%	%	$ (000s)	$ %	$ %	%
Small Business	Low	18	6.8	6.1	4,344	8.1	6.9	6.4
	Moderate	44	16.7	20.3	7,869	14.7	23.5	20.3
	Middle	117	44.5	45.1	22,706	42.3	46.5	48.0
	Upper	84	31.9	27.2	18,749	34.9	22.8	25.3
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Tr Unknown			1.3			0.3	
	Total	**263**	**100.0**	**100.0**	**53,668**	**100.0**	**100.0**	**100.0**

Originations & Purchases
2018 FFIEC Census Data & 2018 Dun & Bradstreet information according to 2015 ACS
Note: Percentages may not add to 100.0 percent due to rounding

Borrower Distribution of HMDA Reportable Loans

Assessment Area: 2018 Davenport-Moline-Rock Island, IA-IL MSA 19340

Product Type	Borrower Income Levels	Count Bank #	Count Bank %	Count Agg %	Dollar Bank $(000s)	Dollar Bank $ %	Dollar Agg $ %	Families by Family Income %
Home Purchase	Low	32	36.0	11.5	2,632	21.5	6.3	20.1
	Moderate	21	23.6	20.1	2,111	17.2	15.2	17.9
	Middle	6	6.7	22.3	605	4.9	20.7	21.3
	Upper	17	19.1	30.1	5,642	46.1	42.2	40.7
	Unknown	13	14.6	16.0	1,250	10.2	15.6	0.0
	Total	**89**	**100.0**	**100.0**	**12,240**	**100.0**	**100.0**	**100.0**
Refinance	Low	0	0.0	11.0	0	0.0	5.8	20.1
	Moderate	0	0.0	17.3	0	0.0	12.4	17.9
	Middle	2	7.1	22.2	72	1.5	18.5	21.3
	Upper	16	57.1	33.0	3,851	77.3	42.8	40.7
	Unknown	10	35.7	16.5	1,057	21.2	20.5	0.0
	Total	**28**	**100.0**	**100.0**	**4,980**	**100.0**	**100.0**	**100.0**
Home Improvement	Low	0	0.0	7.6	0	0.0	5.3	20.1
	Moderate	0	0.0	13.7	0	0.0	8.6	17.9
	Middle	2	33.3	24.0	41	16.2	20.6	21.3
	Upper	1	16.7	47.5	30	12.1	52.5	40.7
	Unknown	3	50.0	7.2	180	71.7	13.0	0.0
	Total	**6**	**100.0**	**100.0**	**251**	**100.0**	**100.0**	**100.0**
Multi-Family	Low	0	0.0	1.6	0	0.0	0.6	20.1
	Moderate	0	0.0	0.0	0	0.0	0.0	17.9
	Middle	0	0.0	0.0	0	0.0	0.0	21.3
	Upper	0	0.0	6.6	0	0.0	3.4	40.7
	Unknown	7	100.0	91.8	2,209	100.0	96.1	0.0
	Total	**7**	**100.0**	**100.0**	**2,209**	**100.0**	**100.0**	**100.0**
Other Purpose LOC	Low	0	0.0	5.7	0	0.0	3.3	20.1
	Moderate	0	0.0	17.9	0	0.0	10.3	17.9
	Middle	0	0.0	22.3	0	0.0	17.8	21.3
	Upper	0	0.0	52.0	0	0.0	67.0	40.7
	Unknown	0	0.0	2.2	0	0.0	1.6	0.0
	Total	**0**	**0.0**	**100.0**	**0**	**0.0**	**100.0**	**100.0**
Other Purpose Closed/Exempt	Low	0	0.0	14.8	0	0.0	10.9	20.1
	Moderate	0	0.0	22.2	0	0.0	16.3	17.9
	Middle	0	0.0	21.9	0	0.0	17.6	21.3
	Upper	0	0.0	39.5	0	0.0	51.5	40.7
	Unknown	0	0.0	1.5	0	0.0	3.8	0.0
	Total	**0**	**0.0**	**100.0**	**0**	**0.0**	**100.0**	**100.0**
Loan Purpose Not Applicable	Low	0	0.0	2.3	0	0.0	1.6	20.1
	Moderate	1	100.0	1.5	43	100.0	1.4	17.9
	Middle	0	0.0	0.4	0	0.0	0.2	21.3
	Upper	0	0.0	5.7	0	0.0	4.9	40.7
	Unknown	0	0.0	90.0	0	0.0	91.8	0.0
	Total	**1**	**100.0**	**100.0**	**43**	**100.0**	**100.0**	**100.0**
HMDA Totals	Low	32	24.4	10.8	2,632	13.3	5.7	20.1
	Moderate	22	16.8	18.4	2,153	10.9	13.1	17.9
	Middle	10	7.6	21.6	718	3.6	18.3	21.3
	Upper	34	26.0	31.8	9,523	48.3	39.5	40.7
	Unknown	33	25.2	17.4	4,696	23.8	23.5	0.0
	Total	**131**	**100.0**	**100.0**	**19,723**	**100.0**	**100.0**	**100.0**

Bank & Aggregate Lending Comparison 2018

Originations & Purchases
2016 FFIEC Census Data
Note: Percentages may not add to 100.0 percent due to rounding

Small Business Lending By Revenue & Loan Size

Assessment Area: 2018 Davenport-Moline-Rock Island, IA-IL MSA 19340

Product Type			Bank & Aggregate Lending Comparison 2018						
			Count			Dollar			Total Businesses
			Bank		Agg	Bank		Agg	
			#	%	%	$ 000s	$ %	$ %	%
Small Business	Revenue	$1 Million or Less	141	53.6	52.3	17,839	33.2	42.9	88.9
		Over $1 Million or Unknown	122	46.4	47.7	35,829	66.8	57.1	11.1
		Total	**263**	**100.0**	**100.0**	**53,668**	**100.0**	**100.0**	**100.0**
	Loan Size	$100,000 or Less	141	53.6	87.4	7,524	14.0	26.1	
		$100,001 - $250,000	54	20.5	6.1	9,415	17.5	17.4	
		$250,001 - $1 Million	68	25.9	6.5	36,729	68.4	56.5	
		Total	**263**	**100.0**	**100.0**	**53,668**	**100.0**	**100.0**	
	Loan Size & Rev $1 Mill or Less	$100,000 or Less	101	71.6		5,060	28.4		
		$100,001 - $250,000	21	14.9		3,432	19.2		
		$250,001 - $1 Million	19	13.5		9,347	52.4		
		Total	**141**	**100.0**		**17,839**	**100.0**		

Originations & Purchases
2018 FFIEC Census Data & 2018 Dun & Bradstreet information according to 2015 ACS
Note: Percentages may not add to 100.0 percent due to rounding

APPENDIX D – Scope of Examination

SCOPE OF EXAMINATION			
TIME PERIOD REVIEWED	HMDA-reportable lending: January 1, 2018 - December 31, 2019 CRA-reportable small business lending: January 1, 2018 - December 31, 2019 Community Development Activity: November 13, 2018 – February 8, 2019		
FINANCIAL INSTITUTION Quad City Bank and Trust Company			**PRODUCTS REVIEWED** • HMDA- and CRA-Reportable Small Business Loans • Community Development Loans, Investments, and Services
AFFILIATE(S)	**AFFILIATE RELATIONSHIP**		**PRODUCTS REVIEWED**
None	**N/A**		**N/A**
LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA	**TYPE OF EXAMINATION**	**BRANCHES VISITED**	**OTHER INFORMATION**
Davenport-Moline-Rock Island, Iowa-Illinois, MSA#19340	**Full scope review**	**None**	**N/A**

APPENDIX E – Glossary

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.

Affordability ratio: To determine housing affordability, the affordability ratio is calculated by dividing median household income by median housing value. This ratio allows the comparison of housing affordability across assessment areas and/or communities. An area with a high ratio generally has more affordable housing than an area with a low ratio.

Aggregate lending: The number of loans originated and purchased by all lenders subject to reporting requirements as a percentage of the aggregate number of loans originated and purchased by all lenders in the MSA/assessment area.

American Community Survey Data (ACS): The American Community Survey (ACS) data is based on a nationwide survey designed to provide local communities with reliable and timely demographic, social, economic, and housing data each year. The Census Bureau first released data for geographies of all sizes in 2010. This data is known as the "five-year estimate data." The five-year estimate data is used by the FFIEC as the base file for data used in conjunction with consumer compliance and CRA examinations.[1]

Area Median Income (AMI): AMI means –

1. The median family income for the MSA, if a person or geography is located in an MSA, or for the metropolitan division, if a person or geography is located in an MSA that has been subdivided into metropolitan divisions; or
2. The statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment area: Assessment area means a geographic area delineated in accordance with section 228.41

Automated teller machine (ATM): An automated teller machine means an automated, unstaffed banking facility owned or operated by, or operated exclusively for, the bank at which deposits are received, cash dispersed or money lent.

[1] *Source: FFIEC press release dated October 19, 2011.*

Bank: Bank means a state member as that term is defined in section 3(d)(2) of the Federal Deposit Insurance Act (12 USC 1813(d)(2)), except as provided in section 228.11(c)(3), and includes an uninsured state branch (other than a limited branch) of a foreign bank described in section 228.11(c)(2).

Branch: Branch refers to a staffed banking facility approved as a branch, whether shared or unshared, including, for example, a mini-branch in a grocery store or a branch operated in conjunction with any other local business or nonprofit organization.

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

Combined Statistical Area (CSAs): Adjacent metropolitan statistical areas/metropolitan divisions (MSA/MDs) and micropolitan statistical areas may be combined into larger Combined Statistical Areas based on social and economic ties as well as commuting patterns. The ties used as the basis for CSAs are not as strong as the ties used to support MSA/MD and micropolitan statistical area designations; however, they do bind the larger area together and may be particularly useful for regional planning authorities and the private sector. Under Regulation BB, assessment areas may be presented under a Combined Statistical Area heading; however, all analysis is conducted on the basis of median income figures for MSA/MDs and the applicable state-wide non metropolitan median income figure.

Community Development: The financial supervisory agencies have adopted the following definition for community development:

1. Affordable housing, including for multi-family housing, for low- and moderate-income households;
2. Community services tailored to meet the needs of low- and moderate-income individuals;
3. Activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of $1 million or less; or
4. Activities that revitalize or stabilize low- or moderate-income geographies.

   Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definitions of community development. Activities that revitalize or stabilize:

   1) Low- or moderate-income geographies;

2) Designated disaster areas; or
3) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation and Office of the Comptroller of the Currency based on:
    a. Rates of poverty, unemployment or population loss; or
    b. Population size, density and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density and dispersion if they help to meet essential community services including the needs of low- and moderate-income individuals.

Community Development Loan: A community development loan means a loan that:

1) Has as its primary purpose community development; and
2) Except in the case of a wholesale or limited purpose bank –
    a. Has not been reported or collected by the bank or an affiliate for consideration in the bank's assessment as a home mortgage, small business, small farm, or consumer loan, unless it is a multi-family housing loan (as described in the regulation implementing the Home Mortgage Disclosure Act); and
    b. Benefits the bank's assessment area(s) or a broader statewide or regional area that includes the bank's assessment area(s).

Community Development Service: A community development service means a service that:

1) Has as its primary purpose community development; and
2) Is related to the provision of financial services.

Consumer loan: 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 of loans: motor vehicle, credit card, other consumer secured loan, includes loans for home improvement purposes not secured by a dwelling, and other consumer unsecured loan, includes loans for home improvement purposes not secured.

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 household and no wife present) or "female householder" (a family with a female householder and no husband present).

Fair market rent: Fair market rents (FMRs) are gross rent estimates. They include the shelter rent plus the cost of all tenant-paid utilities, except telephones, cable or satellite television service, and internet service. HUD sets FMRs to assure that a sufficient supply of rental housing is available to their program participants. To accomplish this objective, FMRs must be both high enough to permit a selection of units and neighborhoods and low enough to serve as many low-income families as possible. The level at which FMRs are set is expressed as a percentile point within the rent distribution of standard-quality rental housing units. The current definition used is the 40th percentile rent, the dollar amount below which 40 percent of the standard-quality rental housing units are rented. The 40th percentile rent is drawn from the distribution of rents of all units occupied by recent movers (renter households who moved to their present residence within the past 15 months). HUD is required to ensure that FMRs exclude non-market rental housing in their computation. Therefore, HUD excludes all units falling below a specified rent level determined from public housing rents in HUD's program databases as likely to be either assisted housing or otherwise at a below-market rent, and units less than two years old.

Full review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and amount of qualified investments) and qualitative factors (for example, innovativeness, complexity and responsiveness).

Geography: A census tract delineated by the U.S. Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act: The statute that requires certain mortgage lenders that do business or have banking offices in metropolitan statistical areas to file annual summary reports of their mortgage lending activity. The reports include data such as the race, gender and income of the applicant(s) and the disposition of the application(s) (for example, approved, denied, and withdrawn).

Home mortgage loans: Are defined in conformance with the definitions of home mortgage activity under the Home Mortgage Disclosure Act and include closed end mortgage loans secured by a dwelling and open-end lines of credit secured by a dwelling. This includes loans for home purchase, refinancing and loans for multi-family housing. It does not include loans for home improvement purposes that are not secured by a dwelling.

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.

Income Level: Income level means:

1) Low-income – an 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 census tract;
2) Moderate-income – an 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 census tract;

3) Middle-income – an 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 census tract; and
4) Upper-income – an 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 census tract.

Additional Guidance: .12(m) Income Level: The median family income levels (MFI) for census tracts are calculated using the income data from the United States Census Bureau's American Community Survey and geographic definitions from the Office of Management and Budget (OMB) and are updated approximately every five years (.12(m) Income Level).

Limited-purpose bank: This term refers to a bank that offers only a narrow product line such as credit card or motor vehicle loans to a regional or broader market and for which a designation as a limited-purpose bank is in effect, in accordance with section 228.25(b).

Limited review: Performance under the Lending, Investment and Services test is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, amount of investments and branch office distribution).

Loan location: Under this definition, a loan is located as follows:

1) Consumer loan is located in the census tract where the borrower resides;
2) Home mortgage loan is located in the census tract where the property to which the loan relates is located;
3) Small business and small farm loan is located in the census tract where the main business facility or farm is located or where the loan proceeds have been applied as indicated by the borrower.

Loan product office (LPO): This term refers to a staffed facility, other than a branch, that is open to the public and that provides lending-related services, such as loan information and applications.

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/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development (HUD) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

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

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

Nonmetropolitan area: This term refers to any area that is not located in a metropolitan statistical area or metropolitan division. Micropolitan statistical areas are included in the definition of a nonmetropolitan area; a micropolitan statistical area has an urban core population of at least 10,000 but less than 50,000.

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: This term refers to any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated area: This term refers to a state or multistate metropolitan area. For institutions with domestic branch offices in one state only, the institution's CRA rating is the state's rating. If the institution maintains domestic branch offices in more than one state, the institution will receive a rating for each state in which those branch offices are located. If the institution maintains domestic branch offices in at least two states in a multistate metropolitan statistical area, the institution will receive a rating for the multistate metropolitan area.

Small Bank: This term refers to a bank that as of December 31 of either of the prior two calendar years, had assets of less than $1.322 billion. Intermediate small bank means a small bank with assets of at least $330 million as of December 31 of both of the prior two calendar years and less than $1.322 billion as of December 31 of either of the prior two calendar years.

Annual Adjustment: The dollar figures in paragraph (u)(1) of this section shall be adjusted annually and published by the Board, based on the year-to-year change in the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers, not seasonally adjusted, for each 12-month period ending in November, with rounding to the nearest million.

Small Business Loan: This term refers to a loan that is included in "loans to small businesses" as defined in the instructions for preparation of the Consolidated Report of Condition and Income. The loans have original amounts of $1 million or less and are either secured nonfarm, nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: This term refers to a loan that is included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Report of Condition and Income. These loans have original amounts of $500 thousand or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

Wholesale Bank: This term refers to a bank that is not in the business of extending home mortgage, small business, small farm or consumer loans to retail customers, and for which a designation as a wholesale bank is in effect, in accordance with section 228.25(b).