



PUBLIC DISCLOSURE

June 17, 2013

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Connecticut River Bank, National Association
Charter Number 23137

270 River Street
Springfield, VT 05156

Office of the Comptroller of the Currency

99 Summer Street
Suite 1400
Boston, MA 02110

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

INSTITUTION'S CRA RATING: This institution is rated Outstanding.

State Name: New Hampshire (NH) Rating: Outstanding
State Name: Vermont (VT) Rating: Satisfactory

The major factors supporting the institution's CRA Ratings are:

- Connecticut River Bank, National Association (Bank or CRB's) level of lending as reflected in its loan-to-deposit ratio, is more than reasonable.
- A substantial majority of originated loans are within the Bank's assessment areas (AAs).
- The distribution of loans reflects excellent penetration among individuals of different income levels.
- The geographic distribution of loans, among individuals of different income levels and businesses of different sizes, reflects excellent dispersion.

Scope of Examination

CRB was evaluated using Small Bank examination procedures, which includes a lending test. The evaluation period for the lending test covers the Bank's performance from January 1, 2011, through December 31, 2012. The lending test evaluates the Bank's record of meeting the credit needs of its AA through its lending activities. For the period from January 1, 2011, through December 31, 2011, CRB's performance was compared to the 2000 U.S. Census data. For the period from January 1, 2012, through December 31, 2012, performance was compared to the 2010 U.S. Census data. The Bank also provided us with optional community development (CD) information to evaluate their responsiveness to CD needs within its AA through qualified loans, investments, and services. The evaluation period for the CD information is from June 20, 2006, the data of the prior Performance Evaluation (PE) through June 17, 2013. CD information submitted by management was verified to ensure they met the regulatory definition for community development.

CRB's primary loan products, based on loan originations during the evaluation period, are one-to-four family residential mortgage loans (including home purchase, home improvement, refinance, and home equity loans/lines) and commercial loans (including commercial real estate and commercial and industrial loans). As indicated by the March 31, 2013, Uniform Bank Performance Report, residential loans represent 40% of the overall loan portfolio at the Bank, and commercial loans represent 53% of the portfolio.

The Bank is not required to report data under the requirements of Home Mortgage Disclosure Act (HMDA). As a result, we used Bank data to select a random sample of 80 residential loans made during the evaluation period to assess the Bank's lending performance. We also used Bank data to select a random sample of 80 commercial loans originated during the evaluation period to evaluate the Bank's lending to businesses.

In assessing the Bank's performance, we contacted a local organization that operates in both AAs whose purpose includes providing affordable multi-family housing and financial education programs for low- and moderate-income individuals. Our contact indicated that the local economy remains depressed. The contact indicated that along with the continued need for affordable housing, the need for financial education for low and moderate-income individuals is an important issue in the area. CRB was perceived favorably with other local financial institutions for their involvement with the organization and in the community.

Description of the Institution

CRB is a \$280 million locally operated community bank established in 1831 in Charlestown, NH and chartered in 1864 as a national bank. As of March 31, 2013, CRB had Tier 1 Capital of \$21 million. The Bank is headquartered in Springfield, VT, while the main office remains located in Charlestown, NH. CRB Bancorp, a one-bank holding company, wholly owns CRB.

CRB is a full service, interstate bank operating with ten branches located in NH and one located in VT. The Bank has three branches located in moderate-income tracts. Branch hours are typically 8:30 am to 5:00 pm, Monday through Friday. Saturday branch hours are typically 9:00 am to noon. Management opened a loan production office (LPO) in Peterborough, NH during the evaluation period; however, due to low loan demand, management is in process of closing the LPO.

CRB offers a full range of consumer and commercial banking products and services. Detailed product information is also available in the Bank's public file and Internet website, www.crbna.com. Retail loan products include residential mortgages, home equity loans/lines, auto loans, and personal loans. Commercial loan products include short term and long term commercial mortgages, lines of credit, and Small Business Administration guaranteed loans. As of March 31, 2013, the Bank held \$177 million in loans and \$255 million in deposits, representing 63% and 91% of total assets, respectively.

The following table provides a summary of the loan mix.

Loan Portfolio Summary by Loan Product - March 31, 2013	
Loan Category	% of Gross Loans and Leases
1-4 Family Residential Mortgage – Closed End	30%
Home Equity	10%
Commercial & Industrial	18%
Commercial Real Estate	35%
Construction and Development	3%
Consumer	2%
Other	2%

Source: Federal Deposit Insurance Corporation Call Report

The Bank has no financial or legal impediments to meeting the credit needs of the community. The Bank was rated "Outstanding" using Small Bank procedures at the last CRA examination dated June 20, 2006.

Selection of Areas for Full-Scope Review

CRB has branches in two states, NH and VT. The CRA requires a Bank to define the AA in which it will be evaluated. We selected the Bank's entire AA and reviewed it as two AAs, which includes all branches, as well as, the contiguous towns/cities around these offices. The Bank's AAs meet the requirements of the regulation and do not arbitrarily exclude any low- or moderate-income areas. For each state, a full-scope review was conducted.

The AA in NH was reviewed as one AA. The NH AA includes the majority of towns located in Cheshire, Coos, Grafton, and Sullivan counties. The NH AA is located in a non-Metropolitan Statistical Area (MSA). The VT AA is located in a non-MSA and was also evaluated as one AA, and includes 14 townships located within Windsor County and Windham County, which are contiguous to the Bank's VT branch. Additional information about these AAs can be found in the Bank's public file.

Ratings

The Bank's overall rating is a blend of the state ratings. Performance in the state of NH was most heavily weighted in arriving at overall conclusions as the majority of the Bank's branches, loans, and deposits are located there. Ten of the Bank's eleven branches are located in NH, and approximately 89% of deposits and 77% in loans by dollar amount are attributed to operations in NH. Overall, due to higher loan volume, more weight was placed on performance in 2012. More weight was also given to home loan products in both years, due to larger volume of loans made.

Conclusions with Respect to Performance Criteria

CRB's performance is rated "Outstanding." CRB's loan-to-deposit ratio is more than reasonable and a substantial majority of loans are originated inside the Bank's AAs. Overall, there was an excellent penetration of loans among individuals of different income levels. The geographic distribution of loans, among individuals of different income levels and businesses of different sizes, reflects excellent dispersion in the moderate-income census tracts.

Loan-to-Deposit Ratio

The Bank's loan-to-deposit ratio is more than reasonable given the Bank's size, AA credit needs, market competition, and economic factors. The Bank's net loan-to-deposit ratio averaged 81% over the last 29 quarters since the previous CRA examination dated June 20, 2006. During the period between examinations, the loan-to-deposit ratio ranged from a quarterly low of 67% to a high of 98%. CRB's loan-to-deposit ratio exceeded similar financial institutions' quarterly averages; 77% over the same period.

Lending in Assessment Area

A substantial majority of the Bank's primary loan products were originated inside its assessment areas. CRB originated 84% by number and 70% by dollar amount of loans in the AAs.

The following table details the Bank's lending within the AAs by number and dollar amount of loans.

Lending in CRB AAs (000's)										
Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Residential Real Estate Loans	66	83%	14	17%	80	5,748	80%	1,461	20%	7,209
Commercial Loans	68	85%	12	15%	80	8,050	64%	4,562	36%	12,612
Totals	134	84%	26	16%	160	13,798	70%	6,023	30%	19,821

Source: A sample of residential and commercial loans (1/1/2011-12/31/2012)

Community Development: Qualified Loans, Investments, and CD Services

The following qualified loans, investments, and services reflect the Bank's responsiveness to CD needs within its AAs.

CRB originated five CD loans totaling \$3.7 million during the evaluation period. These CD loans provided financing for organizations involved in affordable housing and job creation for low- and moderate-income individuals. Qualifying community development grants and donations totaled \$25 thousand and benefitted numerous community development organizations within the AAs.

CRB's delivery systems are accessible to geographies and individuals of different income levels throughout the AA. The Bank has 11 branch offices; three are located in moderate-income tracts. During the evaluation period, three Bank officers provided financial expertise and/or leadership services to four different CD organizations serving the AA. The CD services helped organizations that promote affordable housing, job training, and basic human needs; all identified needs in the AA.

Fair Lending or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. 25.28(c), in determining a national bank's CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any assessment area by an affiliate whose loans have been considered as part of the bank's lending performance. We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.

State Ratings

State of New Hampshire

CRA Rating for New Hampshire: Outstanding

The major factors that support this rating include:

- The distribution of loans reflects excellent penetration among individuals of different income levels.
- The geographic distribution of loans reflects excellent distribution in the moderate-income census tracts.

Description of Institution's Operations in New Hampshire

The Bank operates primarily in the state of NH. The area includes the Upper Valley and Lake Sunapee regions. The NH AA includes ten branch offices as well as the contiguous towns/cities around these offices. The NH AA comprises Cheshire, Coos, Grafton, and Sullivan counties. The AA includes 41 towns/cities located in the lower and upper Connecticut River Valley of NH. In 2011 and 2012, the NH AA comprised 33 census tracts. In 2011, the AA included two moderate-income tracts, 28 middle-income tracts, and three upper-income tracts. In 2012, the AA included five moderate-income tracts, 21 middle-income tracts, and seven upper-income tracts.

CRB operates in a competitive market with competition from large regional commercial banks, local savings banks, and credit unions. The Federal Deposit Insurance Corporation's Deposit Market Share Report, for June 30, 2012, indicates that 22 financial institutions operate within the Bank's market. CRB ranked eleventh in market share and held 4.63% of deposits. The Bank's local competitors include Mascoma Savings Bank, Northway Bank, and Ledyard National Bank. Larger regional commercial Banks include TD Bank, National Association (N.A.), RBS Citizens, N.A., and Bank of America, N.A.

Economic indicators show that the NH economy has started to recover from the national recession. Statewide unemployment rates have steadily declined from a 10-year high of 6.7% in December 2010 to 5.3% as of May 2013. NH's unemployment rates remain well below the national average of 7.6%. Major employers are primarily in the education and healthcare sectors and include Dartmouth Hitchcock Medical Center, Dartmouth College, Hypertherm, New London Hospital, Alice Peck Day Hospital, Colby Sawyer College, and the local school systems.

Demographic information of CRB's NH AA for 2000 and 2010 U.S. Census data is broken out in the tables below.

Demographic Information for CRB NH AA 2011					
Borrower Income Level	Total #	% Low	% Moderate	% Middle	% Upper
Geographies (Census Tracts)	33	0%	6%	85%	9%
Population by Geography	152,433	0%	6%	85%	9%
Owner-Occupied Housing by Geography	40,772	0%	5%	88%	7%
Family Distribution by Income Level	39,020	16%	20%	27%	37%
2000 Census Median Family Income (MFI)		\$50,942	2011 Median Housing Value*		\$208,982
HUD Updated MFI: 2011		\$69,400	Households Below Poverty Level		9%
			Unemployment Rate**		5%

Source: 2000 U.S. Census data

*Data from Zillow.com

**Data from U.S. Bureau of Labor Statistics as of 12/31/2011. Rate is for Cheshire, Coos, Grafton, and Sullivan Counties.

Demographic Information for CRB NH AA 2012					
Borrower Income Level	Total #	% Low	% Moderate	% Middle	% Upper
Geographies (Census Tracts)	33	0%	15%	64%	21%
Population by Geography	160,313	0%	14%	64%	22%
Owner-Occupied Housing by Geography	44,241	0%	14%	65%	21%
Family Distribution by Income Level	41,033	18%	19%	23%	40%
2010 Census Median Family Income (MFI)		\$66,238	2012 Median Housing Value*		\$204,401
HUD Updated MFI: 2012		\$70,300	Households Below Poverty Level		10%
			Unemployment Rate**		6%

Source: 2010 U.S. Census data

*Data from Zillow.com

**Data from U.S. Bureau of Labor Statistics as of 12/31/2012. Rate is for Cheshire, Coos, Grafton, and Sullivan Counties.

Scope of Evaluation in New Hampshire

Performance in the NH AA was most heavily weighted in arriving at an overall conclusion as the large majority of Bank branches, loans, and deposits are located there. Ten of the eleven offices/branches are located in NH; and approximately 89% of deposits and 77% of new loan originations are attributed to operations in NH.

Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

The distribution of loans reflects excellent penetration among individuals of different income levels and reasonable penetration to businesses of different sizes.

Home Loans

The distribution of home loans to borrowers during 2011 reflects reasonable penetration among borrowers of different income levels. The percent of residential real estate loans made to low-income families is lower than the percent of low-income families in the AA. Loans to moderate-income borrowers is lower than the percent of moderate-income families located there. The downturn in the national economy continues to weigh down the real estate prices in the area; however, median housing prices remain high relative to median incomes. The lack of affordable housing also limits lending opportunities for low- to moderate-income borrowers. As of December 31, 2011, the average median home price in the NH AA was \$209 thousand. The HUD median family income is \$69 thousand, which means the maximum income that is considered low-income is \$35 thousand, therefore; low-income borrowers would have difficulty qualifying for home loans.

The following table shows the distribution of home loans among borrowers of different income levels compared to the percent of families in each income category.

Borrower Distribution of Residential Real Estate Loans in NH AA 2011								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Residential Real Estate Loans	16%	6%	20%	11%	27%	33%	37%	50%

Source: 2000 U.S. Census data; loan sample (1/1/2011 to 12/31/11)

The borrower distribution of residential real estate loans originated during 2012 reflects excellent penetration among borrowers of different income levels. The percent of residential loans to low-income families meets the percent of low-income families in the AA. Loans to moderate-income borrowers significantly exceed the percent of moderate-income families located there.

CRB's performance is considered outstanding given the high market competition and lack of affordable housing within the NH AA. Lack of affordable housing limits lending opportunities for low-income and moderate-income borrowers. Even with the increased 2012 HUD median family income, the median housing value remains higher relative to income levels. Based on data collected from Zillow.com, the average median home price in the NH AA is \$204 thousand. The 2012 HUD median family income is \$70 thousand, which means low-income borrowers earn less than \$35 thousand, making it difficult to qualify for a home loan.

The following table shows the distribution of home loans among borrowers of different income levels compared to the percent of families in each income category.

Borrower Distribution of Residential Real Estate Loans in NH AA 2012								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Residential Real Estate Loans	18%	18%	19%	35%	23%	6%	40%	41%

Source: 2010 U.S. Census data; loan sample (1/1/2012 to 12/31/12)

Business Loans

The distribution of loans made in 2011 to businesses reflects excellent penetration among businesses of different sizes. The Bank originated 79% in number of loans to small businesses with gross annual revenues of \$1 million or less. Performance is outstanding as it exceeds the demographic data with 70% of the businesses being considered small businesses.

The following table shows the distribution of loans to businesses of different sizes.

Borrower Distribution of Loans to Businesses in NH AA 2011				
Business Revenues (or Sales)	≤ \$1,000,000	>\$1,000,000	Unavailable / Unknown	Total
% of AA Business	70%	3%	27%	100%
% of Bank Loans in AA by #	79%	21%	0%	100%
% of Bank Loans in AA by \$	77%	23%	0%	100%

Source: 2000 U.S. Census data; loan sample (1/1/2011-12/31/2011)

The distribution of loans made in 2012 to businesses reflects reasonable penetration among businesses of different sizes. The Bank originated 53% in number of loans to small businesses with gross annual revenues of \$1 million or less. Performance is lower than the demographic data with 74% of the businesses being considered small businesses.

The following table shows the distribution of loans to businesses of different sizes.

Borrower Distribution of Loans to Businesses in NH AA 2012				
Business Revenues (or Sales)	≤ \$1,000,000	>\$1,000,000	Unavailable / Unknown	Total
% of AA Business	74%	4%	22%	100%
% of Bank Loans in AA by #	53%	47%	0%	100%
% of Bank Loans in AA by \$	33%	67%	0%	100%

Source: 2010 U.S. Census data; loan sample (1/1/2012-12/31/2012)

Geographic Distribution of Loans

The geographic distribution of loans reflect excellent dispersion in the moderate-income tracts. There are no low-income tracts in the NH AA. We found no conspicuous gaps or areas of low penetration in the Bank's lending patterns.

Home Loans

The geographic distribution of home loans originated during 2011 reflects reasonable dispersion in the moderate-income tracts. Based on our sample, no loans were originated to moderate-income borrowers during 2011; however, the percent of owner-occupied housing in the two moderate-income tracts is very low at 5%, limiting opportunities for home ownership.

The following table compares dispersion of home loans to the percentage of owner-occupied housing units in each census tract income level.

Geographic Distribution of Residential Real Estate Loans in NH AA 2011								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Residential Real Estate Loans	0%	0%	5%	0%	88%	100%	7%	0%

Source: 2000 U.S. Census data; loan sample (1/1/2011 to 12/31/11)

The Bank's geographic distribution of home loans made during 2012 reflects excellent dispersion in the moderate-income census tracts. The percent of residential real estate loans significantly exceeds the percent of owner-occupied housing in the moderate-income geographies.

The following table compares the dispersion of home loans to the percentage of owner-occupied housing units in each census tract income level.

Geographic Distribution of Residential Real Estate Loans in NH AA 2012								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Residential Real Estate Loans	0%	0%	14%	24%	65%	65%	21%	11%

Source: 2010 U.S. Census data; loan sample (1/1/2012 to 12/31/12)

Business Loans

The Bank's geographic distribution of business loans originated during 2011 reflects reasonable dispersion in the moderate-income census tracts. Based on our sample, no loans were originated to moderate-income borrowers during 2011; however, the percent of owner-occupied housing in the two moderate-income tracts is very low at 5%, limiting opportunities for home ownership.

The following table compares the dispersion of business loans to the percentage of businesses in each census tract income level.

Geographic Distribution of Loans to Businesses in NH AA 2011								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
% of Total	0%	0%	5%	0%	86%	95%	9%	5%

Source: 2000 U.S. Census data; loan sample (1/1/2011-12/31/2011)

The Bank's geographic distribution of business loans originated during 2012 reflects excellent dispersion in the moderate-income census tracts. The percent of business loans made in the moderate-income census tracts exceeds the percent of businesses located there.

The following table details the Bank's performance compared to the percentage of businesses in each census tract income level.

Geographic Distribution of Loans to Businesses in NH AA 2012								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
% of Total	0%	0%	15%	24%	65%	65%	20%	11%

Source: 2010 U.S. Census data; loan sample (1/1/2012-12/31/2012)

Responses to Complaints

There were no CRA complaints received by the Bank or the OCC during the evaluation period.

State Ratings

State of Vermont

CRA Rating for Vermont: Satisfactory

The major factors that support this rating include:

- The distribution of loans reflects reasonable penetration among individuals of different income levels and to businesses of different sizes.
- The geographic distribution of loans reflects excellent dispersion in the moderate-income census tracts.

Description of Institution's Operations in Vermont

CRB has a smaller presence in VT compared to NH. The Bank originated 23% of its loans and 11% of its deposits in the VT assessment area (AA). Therefore, more weight was placed on the NH lending performance results when considering the Bank's overall CRA rating.

Similar to NH, there is strong competition in the VT AA for loans and deposits. The Federal Deposit Insurance Corporation's Deposit Market Share Report, for June 30, 2012, indicates that 13 financial institutions operate within the Bank's market. CRB ranked eleventh with 1.5% of the deposit market share. Competitors in the VT AA include Mascoma Savings Bank, Peoples United Bank, and The Brattleboro Savings and Loan Association. Larger regional banks include TD Bank, National Association (N.A.), and RBS Citizens, N.A.

Economic indicators show the VT economy has exhibited positive trends to recover from the national recession. Statewide unemployment rates have steadily declined from the 10-year high of 7.2% in June 2009 to 4.1% as of May 2013. VT's unemployment rates still remain well below the national average of 7.6%. The Bank's VT AA relies heavily on the education and health care industries as well as the manufacturing and retail trade industries. Top employers in the VT AA include Dartmouth Hitchcock Medical Center, Dartmouth College, Hypertherm, New London Hospital, Alice Peck Day Hospital, Colby Sawyer College, and the local school systems.

The information in the following tables provides key demographic data about the Bank's VT AA for 2000 and 2010 U.S. Census data.

Demographic Information for CRB VT AA 2011					
Borrower Income Level	Total #	% Low	% Moderate	% Middle	% Upper
Geographies (Census Tracts)	21	0%	0%	81%	19%
Population by Geography	72,433	0%	0%	78%	22%
Owner-Occupied Housing by Geography	20,861	0%	0%	77%	23%
Family Distribution by Income Level	19,391	16%	17%	24%	43%
2000 Census Median Family Income (MFI)		\$46,084	2011 Median Housing Value*		\$328,806
HUD Updated MFI: 2011		\$62,900	Households Below Poverty Level		9%
			Unemployment Rate**		5%

Source: 2000 U.S. Census data

*Data from Zillow.com

**Data from U.S. Bureau of Labor Statistics as of 12/31/2011. Rate is for Windsor and Windham Counties.

Demographic Information for CRB VT AA 2012					
Borrower Income Level	Total #	% Low	% Moderate	% Middle	% Upper
Geographies (Census Tracts)	22	0%	9%	77%	14%
Population by Geography	71,895	0%	12%	74%	14%
Owner-Occupied Housing by Geography	21,467	0%	8%	77%	15%
Family Distribution by Income Level	19,284	18%	18%	23%	41%
2010 Census Median Family Income (MFI)		\$60,519	2012 Median Housing Value*		\$307,127
HUD Updated MFI: 2012		\$63,800	Households Below Poverty Level		11%
			Unemployment Rate**		4%

Source: 2010 U.S. Census data

*Data from Zillow.com

**Data from U.S. Bureau of Labor Statistics as of 12/31/2012. Rate is for Windsor and Windham Counties.

Scope of Evaluation in Vermont

Performance in the VT AA was weighted less than performance in the NH AA in arriving at overall conclusions as the large majority of Bank branches, loans, and deposits are located in the NH AA.

Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

The distribution of loans reflects reasonable penetration among borrowers of different income levels and to businesses of different sizes.

Home Loans

The distribution of home loans in 2011 to borrowers reflects reasonable penetration among borrowers of different income levels. The percent of residential real estate loans made to low-income families exceeds the percent of low-income families in the AA. The percent of residential real estate loans made to moderate-income borrowers is lower than the moderate-income families residing there. CRB's performance is considered satisfactory given the high competition and lack of affordable housing within the AA.

The following table shows the distribution of residential real estate loans among borrowers of different income levels compared to the percent of families in each income category.

Borrower Distribution of Residential Real Estate Loans in VT AA 2011								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Residential Real Estate Loans	16%	20%	17%	7%	24%	13%	43%	60%

Source: 2000 U.S. Census data; loan sample (1/1/2011-12/31/11)

The borrower distribution of home loans originated during 2012 reflects reasonable penetration among borrowers of different income levels. Based on our sample of residential loans, no loans were made to low-income families. The percent of residential real estate loans made to moderate-income borrowers significantly exceeds the percent of moderate-income families residing there.

The following table shows the distribution of residential real estate loans among borrowers of different income levels compared to the percent of families in each income category.

Borrower Distribution of Residential Real Estate Loans in VT AA 2012								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Residential Real Estate Loans	18%	0%	18%	50%	23%	25%	41%	25%

Source: 2010 U.S. Census data; loan sample (1/1/2012-12/31/12)

Business Loans

The distribution of loans originated in 2011 to businesses reflects reasonable penetration among businesses of different sizes. The Bank originated 61% in number of loans to small businesses with gross annual revenues of \$1 million or less. Performance is lower than the demographic data with 70% of the businesses being considered small businesses.

The following table shows the distribution of loans to businesses of different sizes.

Borrower Distribution of Loans to Businesses in VT AA 2011				
Business Revenues (or Sales)	≤ \$1,000,000	>\$1,000,000	Unavailable / Unknown	Total
% of AA Business	70%	3%	27%	100%
% of Bank Loans in AA by #	61%	39%	0%	100%
% of Bank Loans in AA by \$	46%	54%	0%	100%

Source: 2000 U.S. Census data; loan sample (1/1/2011-12/31/2011)

The distribution of loans made in 2012 to businesses reflects reasonable penetration among businesses of different sizes. The Bank originated 71% in number of loans to small businesses with gross annual revenues of \$1 million or less. Performance is near to the demographic data with 74% of the businesses being considered small businesses.

The following table shows the distribution of loans to businesses of different sizes.

Borrower Distribution of Loans to Businesses in VT AA 2012				
Business Revenues (or Sales)	≤ \$1,000,000	>\$1,000,000	Unavailable / Unknown	Total
% of AA Business	74%	4%	22%	100%
% of Bank Loans in AA by #	71%	29%	0%	100%
% of Bank Loans in AA by \$	76%	24%	0%	100%

Source: 2010 U.S. Census data; loan sample (1/1/2012-12/31/2012)

Geographic Distribution of Loans

The geographic distribution of loans reflects excellent dispersion in the moderate-income tracts. There were no low- and moderate-income tracts in the VT AA in 2011; therefore, an analysis of geographic distribution for residential real estate and commercial loans is not meaningful. We found no conspicuous gaps or areas of low penetration in the Bank's lending patterns.

Home Loans

The geographic distribution of home loans originated during 2012 reflects excellent dispersion in the moderate-income tracts. The percent of residential real estate loans exceeds the percent of owner-occupied housing in the moderate-income geographies.

The following table compares the dispersion of real estate loans to the percentage of owner-occupied housing units in each census tract income level.

Geographic Distribution of Residential Real Estate Loans in VT AA 2012								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Residential Real Estate Loans	0%	0%	8%	13%	77%	87%	15%	0%

Source: 2010 U.S. Census data; loan sample (1/1/2012-12/31/12)

Business Loans

The Bank's geographic distribution of business loans originated during 2012 reflects excellent dispersion in the moderate-income census tracts. The percent of business loans made in the moderate-income census tracts meets the percent of businesses located there.

The following table compares the dispersion of business loans to the percentage of businesses in each census tract income level.

Geographic Distribution of Loans to Businesses in VT AA 2012								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
% of Total	0%	0%	14%	14%	71%	86%	15%	0%

Source: 2010 U.S. Census data; loan sample (1/1/2012-12/31/2012)

Responses to Complaints

There were no CRA complaints received by the Bank or the OCC during the evaluation period.