



PUBLIC DISCLOSURE

April 5, 2021

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Delta National Bank and Trust Company
Charter Number: 20547

650 Fifth Avenue, 26th Floor
New York, NY 10019

Office of the Comptroller of the Currency

340 Madison Avenue, 4th Floor
New York, NY 10017

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.

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Overall CRA Rating

Institution's CRA Rating: This institution is rated Satisfactory.

The major factors that support this rating include:

- The institution demonstrates an adequate level of community development lending, community development services, and qualified investment activity.
- The institution demonstrates no use of innovative or complex qualified investments, community development loans, or community development services.
- The institution exhibits adequate responsiveness to credit and community development needs in its assessment areas.

Description of Institution

Delta National Bank and Trust Company (Delta Bank) is a commercial bank headquartered in New York, New York (NY). Delta Bank was established in 1986 with the purpose of providing banking services to high net worth clients from South America. Delta Bank is a wholly owned subsidiary of Delta North Bancorp, which is owned by Delta Investment Company located in Grand Cayman. In 1996, the OCC designated Delta Bank as a wholesale bank for CRA purposes. An institution so designated is evaluated pursuant to the community development (CD) test, which assesses a bank's record of meeting assessment area (AA) credit needs through qualified investments, CD loans, or CD services, as applicable.

Delta Bank's primary focus is providing private banking, asset management, and investment services to its high net worth customers in South America, primarily Brazil. The bank does no direct lending in the United States. Delta Bank operates two branches, which are located in New York, NY and Miami, FL. Therefore, Delta Bank is an interstate bank with two AAs. The AAs and their respective CRA performance are discussed separately in this performance evaluation. There was no merger or acquisition activity that impacted the scope of the bank's operations during the evaluation period.

As of December 31, 2020, the bank had tier 1 capital of \$53 million and total assets of \$380 million. Net loans and leases totaled approximately \$124 million, representing 33 percent of total assets. Total deposits were \$268 million, or 71 percent of total assets.

Table 1: Financial Information (\$000s)

	Year-end 2018	Year-end 2019	Year-end 2020	Average for Evaluation Period
Tier 1 Capital	53,931	55,166	53,481	54,193
Total Income	19,028	19,810	15,688	18,175
Net Operating Income	1,126	1,235	(1,685)	225
Total Assets	311,892	383,000	379,814	358,235

Source: Consolidated Report of Condition and Income and bank reported data.

Aside from restrictions imposed by Delta Bank's wholesale designation, scope of operations, and business strategy, there are no additional legal, financial, or other constraints impeding the bank's ability to help meet the credit needs in its AAs.

Scope of the Examination

Evaluation Period/Products Evaluated

To evaluate the bank's performance under the CRA, the OCC reviewed CD activities from January 1, 2018 through December 31, 2020. The evaluation considered the level and nature of qualified investments, CD lending, and CD services. The prior Performance Evaluation, dated February 2, 2018, rated the bank Satisfactory.

For purposes of this evaluation, bank delineated AAs located within the same metropolitan statistical area (MSA), multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area.

The bank adequately addressed the needs of its assessment areas, and therefore, qualified investments outside of the assessment areas were considered in evaluating its performance.

Discriminatory or Other Illegal Credit Practices Review

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

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

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

State Rating

State of New York

CRA Rating for New York: Satisfactory

The major factors that support this rating include:

- The institution demonstrates an adequate level of CD loans and qualified investment activity in the state of New York.
- The institution demonstrates no use of innovative or complex qualified investments, CD loans, or CD services in New York.
- The institution exhibits adequate responsiveness to credit and CD needs in New York.

Description of Assessment Area

Delta Bank's New York AA consists of New York City's five boroughs: Manhattan, Queens, Brooklyn, the Bronx, and Staten Island. The AA is part of the New York-Jersey City-White Plains NY-NJ MSA, #35614. This AA meets the requirements of the CRA and does not arbitrarily exclude low- and moderate-income (LMI) geographies.

The New York AA is a densely populated urban area. According to the 2015 American Community Survey (ACS) United States (U.S.) Census data, the AA contains 2,167 census tracts. There are 289 low-income tracts (13.3 percent), 570 moderate-income tracts (26.3 percent), 642 middle-income tracts (29.6 percent), and 600 upper-income tracts (27.7 percent). There are also 66 census tracts for which the income designation is unknown. The total population of the AA is 8.4 million. The AA has 1,865,277 families, of which 32.6 percent are low-income families and 16.3 percent are moderate-income families. There are 3.42 million housing units, of which 62 percent are rental units versus 29 percent owner-occupied, and 9 percent are vacant. Additionally, 60 percent of housing units are multifamily compared to 39 percent in 1-4 family units. The FFIEC Updated MSA Median Family Income for the MSA is \$81,800, while the median housing value is \$536,278. Based on the housing cost and the median family income, there is a lack of affordability for LMI families to purchase a home.

Table 2: New York Assessment Area Description

	Number	Low	Moderate	Middle	Upper
Tracts	2,167	13.3%	26.3%	29.6%	27.7%
Families	1,865,277	32.6%*	16.3%*	15.7%*	35.5%*
Businesses	831,503	8.6%**	20.7%**	20.6%**	47.4%**

Source: Demographic Data – 2015 ACS, Dun & Bradstreet Data. *Represents families by income level. **Represents businesses by income level of census tract.

According to the June 30, 2020 FDIC Summary of Deposit report, Delta Bank’s deposit market share was 0.01 percent. The bank ranks 87 out of 113 banks in terms of deposits in the AA. The New York banking market is highly competitive, and the deposit market is dominated by large

multinational institutions. Delta Bank's major competitors include JPMorgan Chase Bank, The Bank of New York Mellon, HSBC Bank USA, Goldman Sachs Bank USA, Citibank, and Bank of America. These major competitors have an established presence in the AA and provide strong competition with the bank for CD activities.

Top industries in the area providing employment are hospitals and banks. Major employers include Montefiore Health System, Mount Sinai Health System, JPMorgan Chase & Co., and Bank of America. According to the U.S. Bureau of Labor Statistics (BLS), there was a significant increase in the unemployment rate in the New York-Jersey City-White Plains, NY-NJ MSA during the evaluation period. The unemployment rate increased from 3.8 percent in January 2018 to 9.2 percent in December 2020, which was above the state of New York unemployment rate of 8.7 percent and significantly higher than the national average of 6.7 percent.

Information published by Moody's Analytics as of December 2020 indicates the New York-Jersey City-White Plains, NY-NJ MSA strengths include its status as a financial capital, high per capita income, limited exposure to manufacturing, and strong international immigration. Weaknesses include high costs, including taxes, housing, office rents, and energy; a rapidly aging infrastructure; and deteriorating fiscal health amid the COVID-19 recession and population losses. Joblessness remains high and payrolls are much farther below pre-COVID-19 levels than they are nationally. The report also indicates the MSA faces a protracted return to normalcy due to COVID-19, which has negatively impacted tourism, consumer spending, and residential and commercial real estate.

According to the Federal Reserve Bank of New York's white paper published in December 2020, the COVID-19 pandemic has further exacerbated New York City's housing affordability and stability in both the residential and commercial arena. Given the increase in joblessness and recession, the federal government, as well as the private sector and philanthropists, can play key roles in mitigating the crises related to affordable housing, evictions, and household financial stability.

As part of the CRA evaluation, the OCC reviewed information from five community contacts made within the bank's AA to determine local economic conditions and community needs. Among these community contacts were: a coalition of several community organizations serving New York City that strive to build equity within the community by providing affordable housing opportunities and economic development throughout the LMI areas of the AA; a nonprofit organization that focuses their efforts on affordable housing, small business lending, and social services for LMI New York City residents; and a Brooklyn organization that works to provide job readiness training to students with the aim of preparing individuals to enter the workforce in diverse career fields. These contacts identified affordable housing, small business financing, first-time homebuyer programs, sustainable employment, financial literacy, and improving LMI access to banking as community needs of the AA.

Conclusions About Performance in New York

Summary

- Delta Bank has an adequate level of qualified investments and CD lending in relation to available opportunities and the bank’s capacity. The bank purchased certificates of deposits in minority depository institutions (MDIs) and community development financial institutions (CDFIs), invested in a CRA-qualified investment fund, made qualified grants, and renewed a line of credit to a CD organization.
- Delta Bank exhibited no use of innovative or complex qualified investments, CD loans, or CD services.
- Delta Bank demonstrated adequate responsiveness to credit and CD needs in the AA. The certificates of deposits with MDIs and CDFIs provided funds for lending to LMI borrowers. The investment in the CRA-qualified investment fund was used to finance affordable housing developments and an affordable rental property for disabled individuals. The line of credit was used to finance home purchases and home rehabilitations for LMI borrowers. The grants supported affordable housing and community services for LMI families and individuals.

Qualified Investments

Qualified investments totaled \$1.93 million with current period investments of \$1.89 million and grants of \$41 thousand. There are no outstanding prior period investments.

The following table summarizes the bank’s investments, grants, and unfunded commitments inside the New York AA.

Table 3: Qualified Investment Activity (\$000s)

	Benefits AA**
Originated Investments	1,885
Originated Grants	41
Prior-Period Investments that Remain Outstanding	0
Total Qualified Investments	1,926
Unfunded Commitments*	0

* “Unfunded Commitments” means legally binding investment commitments that are tracked and recorded by the bank’s financial reporting system. ** Investments included in the Benefits AA column are located in the AA or in the broader statewide or regional area that includes the AA.

The following table measures the level of total qualified investment activity in terms of average tier 1 capital and average total income over the evaluation period.

Table 4: Qualified Investment Percentages

	Benefits AA (%)*
Total Investments/Average Tier 1 Capital	3.55
Total Investments/Average Total Income	10.60
Total Investments/Average Pass-Through Receivables	0

* Investments included in the Benefits AA column are located in the AA or in the broader statewide or regional area that includes the AA.

Delta Bank invested \$1.09 million in the form of certificates of deposits with seven MDIs in the New York AA. The bank invested an additional \$400 thousand in the form of certificates of deposits with two CDFIs in the New York AA.

Delta Bank invested \$400 thousand in a CRA-qualified investment fund, representing two securities.

- One security is for a housing development corporation bond with the funds used to finance 22 affordable housing developments located throughout the Bronx, Brooklyn, Manhattan, and Queens. An amount of \$38 thousand of this security has been earmarked to Delta Bank.
- One security financed an affordable rental property for disabled individuals in Manhattan with 200 of the 205 units receiving Section 8 assistance. An amount of \$362 thousand of this security has been earmarked to Delta Bank.

Delta Bank provided qualified grants totaling \$41 thousand to two organizations that benefitted the AA. These grants supported affordable housing and community services for LMI families and individuals.

CD Lending

Delta Bank renewed a \$500 thousand line of credit to a community development organization serving the bank’s New York AA. The organization provides financial and homeownership education, loan origination, and mortgage facilitation to support the attainment and sustainability of homeownership for LMI families and individuals. The funds will be used to provide acquisition and rehabilitation financing to LMI first-time homebuyers and existing occupants of one-to-four family buildings, cooperative apartments, and condominiums.

Table 5: CD Lending Percentages

	Benefits AA (%)*
Total CD Lending/Average Tier 1 Capital	0.925
Total CD Lending/Average Total Income	2.75
Total CD Lending/Average Pass-Through Receivables	0

** CD loans included in the Benefits AA column are located in the AA or in the broader statewide or regional area that includes the AA.*

CD Services

Delta Bank did not conduct any CD services in the New York AA.

State Rating

State of Florida

CRA Rating for Florida: Satisfactory

The major factors that support this rating include:

- The institution demonstrates an adequate level of CD loans, CD services, and qualified investment activity in the state of Florida.
- The institution demonstrates no use of innovative or complex qualified investments, CD loans, or CD services in Florida.
- The institution exhibits adequate responsiveness to credit and CD needs in Florida.

Description of Assessment Area

Delta Bank's Florida AA consists of Miami-Dade County. The AA is part of the Miami-Miami Beach-Kendall, FL MSA #33124. This AA meets the requirements of the CRA and does not arbitrarily exclude LMI geographies.

Miami-Dade County is the most southeastern part of Florida and the United States. The county is the seventh most populous county in the country. According to the 2015 ACS U.S. Census data, the AA contains 519 census tracts. There are 30 low-income tracts (5.8 percent), 144 moderate-income tracts (27.7 percent), 150 middle-income tracts (28.9 percent), and 177 upper-income tracts (34.1 percent). There are also 18 census tracts for which the income designation is unknown. The total population of the AA is 2.6 million. The AA has 572,388 families of which 24 percent are low-income families and 16.6 percent are moderate-income families. There are 999 thousand housing units of which 45 percent are owner occupied, 39 percent are rental units, and 16 percent are vacant. The FFIEC Updated MSA Median Family Income for the MSA is \$49,264 and the median housing value is \$244,010.

Table 2: Florida Assessment Area Description

	Number	Low	Moderate	Middle	Upper
Tracts	519	5.8%	27.7%	28.9%	34.1%
Families	572,388	24.0%*	16.6%*	16.9%*	42.5%*
Businesses	533,780	3.1%**	20.8%**	25.9%**	47.8%**

Source: Demographic Data – 2015 ACS, Dun & Bradstreet Data. *Represents families by income level. **Represents businesses by income level of census tract.

According to the June 30, 2020 FDIC Summary of Deposit report, Delta Bank’s deposit market share was 0.05 percent. The bank ranks 51 out of 56 banks in terms of deposits in the AA. The Miami banking market is highly competitive, and the deposit market is dominated by large multinational institutions. Delta Bank’s major competitors include Bank of America, Wells Fargo, JPMorgan Chase Bank, and Citibank. As with the New York AA, these major competitors

have an established presence in the AA and provide strong competition with the bank for CD activities.

Top industries in the area providing employment vary and include supermarkets, healthcare, and airlines. Major employers include Publix Super Markets, Baptist Health South Florida, American Airlines, and Jackson Health System. According to the BLS, there was a substantial increase in the unemployment rate in the Miami-Miami Beach Kendall, FL MSA. The unemployment rate increased from 3.9 percent in January 2018 to 7.9 percent in December 2020, which was significantly higher than the state of Florida unemployment rate of 5.1 percent and above the national average of 6.7 percent.

The December 2020 Moody's Analytics data indicates the strengths of the Miami-Miami Beach-Kendall, FL MSA include the area's strong ties to Latin America, the world's busiest cruise port, and well-developed shipping and distribution infrastructure. Weaknesses include high household debt, a congested airport and roads, and a dependency on industries that are susceptible to business cycle downturns.

As part of the CRA evaluation, the OCC reviewed information from one community contact. The contact is involved with a startup organization that is connected to a local university. The organization is dedicated to supporting LMI entrepreneurs in the food industry, particularly those owned by women and minorities. The contact indicated the need for innovative and flexible loan products that would assist in providing financing for small businesses.

Conclusions About Performance in Florida

Summary

- Delta Bank has an adequate level of qualified investments and CD lending in relation to available opportunities and the bank's capacity. The bank purchased certificates of deposits in MDIs, invested in a CRA-qualified investment fund, made qualified grants, and originated CD loans through a community reinvestment loan consortium.
- Delta Bank exhibited no use of innovative or complex qualified investments, CD loans, or CD services.
- Delta Bank demonstrated adequate responsiveness to credit and CD needs in the AA. The certificates of deposits with MDIs provided funds for lending to LMI borrowers. The investment in the CRA-qualified investment fund was used to finance an affordable housing development and an affordable rental property for the elderly. The CD loans were used to finance affordable housing for LMI families and individuals. The grants supported affordable housing and community services for LMI families and individuals.

Qualified Investments

Qualified investments totaled \$1.35 million with current period investments of \$1.33 million and grants of \$15 thousand. There are no outstanding prior period investments.

The following table summarizes the bank’s investments, grants, and unfunded commitments inside the Florida AA.

Table 3: Qualified Investment Activity (\$000s)

	Benefits AA**
Originated Investments	1,334
Originated Grants	15
Prior-Period Investments that Remain Outstanding	0
Total Qualified Investments	1,349
Unfunded Commitments*	0

* “Unfunded Commitments” means legally binding investment commitments that are tracked and recorded by the bank’s financial reporting system. ** Investments included in the Benefits AA column are located in the AA or in the broader statewide or regional area that includes the AA.

The following table measures the level of total qualified investment activity in terms of average tier 1 capital and average total income over the evaluation period.

Table 4: Qualified Investment Percentages

	Benefits AA (%)*
Total Investments/Average Tier 1 Capital	2.49
Total Investments/Average Total Income	7.42
Total Investments/Average Pass-Through Receivables	0

* Investments included in the Benefits AA column are located in the AA or in the broader statewide or regional area that includes the AA.

Delta Bank invested \$684 thousand in the form of certificates of deposits with four MDIs in the Florida AA.

Delta Bank invested \$650 thousand in a CRA-qualified investment fund, representing two securities.

- One security financed a Low-Income Housing Tax Credit Property in Miami providing 336 units of affordable housing for LMI families and individuals. An amount of \$350 thousand of this security has been earmarked to Delta Bank.
- One security financed an affordable rental property for the elderly in Miami-Dade County with 51 of the 52 units receiving Section 8 assistance. An amount of \$300 thousand of this security has been earmarked to Delta Bank.

Delta Bank provided qualified grants totaling \$15 thousand to three organizations that benefitted the AA. These grants supported affordable housing and community services for LMI families and individuals.

CD Lending

Delta Bank originated one CD loan in the Florida AA through a community reinvestment loan consortium, contributing a total of \$5,526. Delta Bank originated an additional seven CD loans in the regional area, including the AA, through the community reinvestment loan consortium. Delta Bank contributed a total of \$38,272. The loan consortium is a collaboration of South

Florida financial institutions that provide zero percent interest rate loans to CD corporations and nonprofit organizations for the development of affordable housing for LMI families and individuals.

Table 5: CD Lending Percentages

	Benefits AA (%)*
Total CD Lending/Average Tier 1 Capital	0.081
Total CD Lending/Average Total Income	0.242
Total CD Lending/Average Pass-Through Receivables	0

** CD loans included in the Benefits AA column are located in the AA or in the broader statewide or regional area that includes the AA. sheet.*

CD Services

Delta Bank provided an adequate level of CD services within the Florida AA. The bank’s CRA advisor is an active member of a South Florida community reinvestment loan consortium. The bank employee provides technical expertise with respect to loan approval and loan administration.

Appendix A: Summary of MMSA and State Ratings

RATINGS Delta National Bank and Trust Company	
Overall Bank:	Overall Bank Rating:
Delta National Bank and Trust Company	Satisfactory
State/MMSA Name:	State/MMSA Rating:
New York	Satisfactory
Florida	Satisfactory

Appendix B: Definitions and Common Abbreviations

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

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

Aggregate Lending (Aggt.): The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the AA.

Census Tract (CT): A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

Combined Statistical Area (CSA): A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

Community Development (CD): Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

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

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into ‘male householder’ (a family with a male householder and no wife present) or ‘female householder’ (a family with a female householder and no husband present).

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

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

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

Home Mortgage Loans: A closed-end mortgage loan or an open-end line of credit as these terms are defined under §1003.2 of this title, and that is not an excluded transaction under §1003.3(c)(1) through (10) and (13) of this title.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

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

Low-Income Individual: Individual income that is less than 50 percent of the area median income.

Low Income Geography: A census tract with a median family income that is less than 50 percent.

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 AA.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is

the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) 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, and half below, a range of incomes.

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

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

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

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

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

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified Investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose CD.

Rating Area: A rated area is a state or multi-state metropolitan statistical area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan statistical area, the institution will receive a rating for the multi-state metropolitan statistical area.

Small Loan(s) to Business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

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

Tier 1 Capital: The total of common shareholders’ equity, perpetual preferred shareholders’ equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

Total Assets: Total bank assets as listed in the Consolidated Report of Condition and Income. [Schedule RC - Balance Sheet, line 12 or UBPR, page 4, “Total Assets”]

Total Income: Total Interest income plus Total Noninterest income from the Consolidated Report of Condition and Income. [Schedule RI - Income Statement, Total Interest Income, line 1g and Total Noninterest Income, line 5g, except for banks with domestic offices only and total assets less than \$100 million, line 5c or UBPR, page 2, “Total Interest Income” and “Noninterest Income”]

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

Wholesale Institution: An institution 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.