



PUBLIC DISCLOSURE

March 28, 2022

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

Citizens Savings Bank
Charter Number 706503

500 South State Street
Clarks Summit, PA 18411

Office of the Comptroller of the Currency

1150 Northbrook Drive Suite 303
Trevose, PA 19053

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

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Overall CRA Rating

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

The lending test is rated: Satisfactory.

The community development test is rated: Satisfactory.

The major factors that support this rating include:

- The Lending Test rating is based on:
 - The quarterly average loan-to-deposit (LTD) ratio is reasonable given the bank's size, financial condition, and assessment area (AA) credit needs.
 - A majority of the bank's lending is inside its AA by number of loans originated and purchased.
 - The overall geographic distribution of loans reflects reasonable distribution in low- and moderate-income (LMI) census tracts.
 - The overall borrower distribution of loans by income level of the borrower reflects reasonable distribution to borrowers of different income levels.
 - The bank did not receive any CRA-related complaints during the evaluation period.
- The Community Development (CD) Test rating is based on:
 - The bank's community development activities demonstrate adequate responsiveness to the Community Development needs of its AAs.

Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AA(s), the bank's loan-to-deposit ratio is reasonable. The bank's quarterly average loan-to-deposit ratio over the 12 quarters in our evaluation period is 88.8 percent. During this period, the ratio ranged from a quarterly low of 80.1 percent to a quarterly high of 96.4 percent. We compared the bank's LTD to seven similarly situated banks in Lackawanna, Luzerne and Wayne counties, ranging in asset sizes from \$247 million to \$957 million. The quarterly average net loan-to-deposit ratio for these similar institutions over the same period 12 quarters was 75.2 percent. The ratios range from a quarterly low of 56.8 percent to a quarterly high of 90.1 percent.

Lending in Assessment Area

A majority of the bank's loans are inside its assessment area(s) (AAs).

The bank originated and purchased 87.2 percent of its total loans, by number, inside the bank's AAs during the evaluation period. The bank originated and purchased 84.7 percent of its loans, by dollar amount, inside the bank's AA during the evaluation period. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria.

Table D - Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2019	208	97.2	6	2.8	214	30,388	95.6	1,405	4.4	31,793
2020	376	84.9	67	15.1	443	64,253	82.2	13,895	17.8	78,147
2021	234	83.3	47	16.7	281	45,320	81.8	10,074	18.2	55,394
Subtotal	818	87.2	120	12.8	938	139,961	84.7	25,374	15.3	165,334
Total	818	87.2	120	12.8	938	139,961	84.7	25,374	15.3	165,334
<i>Source: Bank Data Due to rounding, totals may not equal 100.0%</i>										

Description of Institution

Citizens Savings Bank (CSB) is a single-state mutual thrift institution, established in 1902, headquartered in Clarks Summit, Pennsylvania.

As of December 31, 2021, CSB has total assets of \$395 million and tier one capital of \$54 million. CSB is not a subsidiary of a bank holding company. CSB owns an operating subsidiary, CSB Services, Inc., located in Wilmington, Delaware. The subsidiary was established to hold a portion of the bank's loans for tax purposes. The subsidiary was not considered in this evaluation, as it does not affect the bank's capacity for community reinvestment

CSB is a full-service institution offering a standard range of traditional loan and deposit products. Deposit products include checking accounts, savings accounts, money market deposit accounts, and certificates of deposit. Lending products are limited to residential and consumer loans. Residential loan products include fixed- and adjustable-rate loans for the purchase, refinance, improvement, and construction of one-to-four family dwellings. The bank also offers home equity loans, home equity lines of credit, automobile loans, and unsecured personal loans. CSB participates in several First-Time Homebuyer Programs, including the City of Scranton's First-Time Homebuyer Program, Lackawanna County's First Time Homebuyer Program, and Monroe County's First Time Homebuyer Program. These programs offer down payment and closing cost assistance to low- and moderate-income first-time homebuyers.

CSB operates seven full-service offices in Lackawanna, Wayne, and Monroe counties. The main office and an administrative office are located in Clarks Summit, PA (Lackawanna County). The branch locations offer full service automated teller machines (ATMs). All branches, with the exception of the downtown Scranton branch, offer extended Friday and Saturday hours. The downtown Scranton branch does not offer extended hours because this area is primarily comprised of municipal, commercial, and retail space. There were no branches opened, closed, or relocated during the evaluation period. CSB operates within three assessment areas located in the north-east PA.

As of December 31, 2021, CBS reported total loans and leases of \$274 million or 69 percent of total assets. The loan portfolio is limited to residential and consumer loans. The table below details the composition of the loan portfolio.

Loan Portfolio Summary, by Loan Product 31-Dec-21		
Loan Category	Dollar Amount (thousands)	% of Outstanding Loans
Residential Real Estate	\$ 269,198	98.39%
Construction	\$ 4,072	1.49%
Consumer	\$ 336	0.12%
	\$ 273,606	100%

There are no financial or legal impediments affecting CSB's ability to help meet the community credit needs of its AAs. The bank received a "Satisfactory" rating at the previous CRA evaluation performed March 25, 2019.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The evaluation period under the Lending Test is representative of the bank's lending strategy since the last CRA evaluation. The evaluation covers the bank's performance from January 1, 2019, through December 31, 2021. The evaluation under the lending test considered home mortgage loans, as these are the bank's primary product.

Selection of Areas for Full-Scope Review

In each state where the bank has an office, one or more of AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated assessment areas 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. These combined AAs may be evaluated as full- or limited-scope. Refer to the "Scope" section under each State Rating for details regarding how full-scope AAs were selected. Refer to appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

Ratings

CSB's overall rating is based primarily on the review of the bank's full-scope AA, the Scranton-Wilkes Barre AA. The vast majority of the bank's loans, deposits, branches are located in this AA during the evaluation period. Some consideration was paid to the bank's limited-scope AA as well.

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 Pennsylvania

CRA rating for the State of Pennsylvania: Satisfactory

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Satisfactory

The major factors that support this rating include:

- The quarterly average loan-to-deposit (LTD) ratio is reasonable given the bank's size, financial condition, and assessment area (AA) credit needs.
- A majority of the bank's lending is inside its AA by number of loans originated and purchased.
 - The overall geographic distribution of loans reflects reasonable distribution in low- and moderate-income (LMI) census tracts.
 - The overall borrower distribution of loans by income level of the borrower reflects reasonable distribution to borrowers of different income levels.
 - The bank did not receive any CRA-related complaints during the evaluation period.
 - The bank's community development activities demonstrate adequate responsiveness to the Community Development needs of its AAs.

Description of Institution's Operations in Pennsylvania

CSB is a full-service institution offering a standard range of traditional loan and deposit products. Deposit products include checking accounts, savings accounts, money market deposit accounts, and certificates of deposit. Lending products are limited to residential and consumer loans. Residential loan products include fixed- and adjustable-rate loans for the purchase, refinance, improvement, and construction of one-to-four family dwellings. The bank also offers home equity loans, home equity lines of credit, automobile loans, and unsecured personal loans.

CSB operates seven full-service offices in Lackawanna, Wayne, and Monroe counties. The main office and an administrative office are located in Clarks Summit, PA (Lackawanna County). The branch locations offer full service automated teller machines (ATMs).

The economy of the Scranton-Wilkes Barre AA is considered in a recovery period, forecasted to underperform the U.S. economy due to declining population trends and concentrations of jobs in low-paying industries. The effects of the COVID-19 pandemic and staffing shortages have put pressure on the industry workforce. Logistics is expected to provide a boost as the region benefits from relatively lower costs access to interstate highways and proximity to several large East Coast markets. Economic growth is forecasted to grow in line with the state but behind the U.S. economic growth in 2022. The main employers in the AA are Geisinger Health System, Community Health Systems, Procter & Gamble, Mohegan Sun at Pocono Downs, and Wilkes-Barre VA Medical Center.

According to the Bureau of Labor Statistics, the unemployment rate for the Scranton-Wilkes Barre-Hazleton Metropolitan Statistical Area as of December 2021 was 5.3 percent. This figure compares favorably with the Pennsylvania state unemployment rate of 5.5 percent but lags the U.S. unemployment rate of 3.9 percent.

Per FDIC deposit market share data as of June 30, 2021, CSB ranked 15th in deposits within the Scranton-Wilkes Barre MSA. CSB holds \$261 million in deposits, representing a market share of 1.58 percent. Deposits taken within the Scranton-Wilkes Barre AA represents 79 percent of the bank's total deposits.

Competition in the market is high. Per peer mortgage data for 2020, CSB ranked 20th out of 517 lending institutions across all of CSB's AAs. During this period, CSB originated or purchased 396 loans, representing a market share of 1.45 percent. With respect to the Wilkes-Barre AA, CSB originated or purchased 306 loans or 67 percent of total loan originations or purchases the bank made in 2020.

This performance within the Scranton-Wilkes Barre AA ranks CSB 16th out of 383 lenders in the AA. CSB's performance represents a market share of 1.88 percent. CSB's top competitors in the AA are Quicken Loans, LLC which ranked 1st with a market share of 6.44 percent, Fidelity Deposit and Discount Bank which ranked 2nd with a market share of 5.5 percent, and Wells Fargo, NA which ranked 3rd with a market share of 5.18 percent.

Community Contact

We reviewed the OCC Community Contact Database during this examination to determine the credit needs of the local community. We reviewed two reports of local economic development groups conducted in 2021 and 2022. The group's purpose is to promote affordable housing and assist with start-up financing for small businesses. The contacts expressed the continued need for SBA loans and lending partnerships. Affordable housing opportunities are also needed to meet the demand of low- and moderate-income workers within the community.

Scranton-Wilkes Barre AA

Table A – Demographic Information of the Assessment Area						
Assessment Area: Scranton-Wilkes Barre AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	170	3.5	24.7	51.2	19.4	1.2
Population by Geography	561,701	3.2	20.5	52.2	23.6	0.5
Housing Units by Geography	258,782	3.1	20.3	54.5	21.8	0.4
Owner-Occupied Units by Geography	152,184	1.6	14.2	56.5	27.5	0.0
Occupied Rental Units by Geography	72,436	6.0	31.3	48.8	12.9	1.0
Vacant Units by Geography	34,162	3.0	24.1	57.4	14.9	0.6
Businesses by Geography	51,264	2.8	19.4	51.2	24.6	2.1
Farms by Geography	1,182	1.8	10.4	54.1	33.5	0.3
Family Distribution by Income Level	141,530	21.3	17.6	20.5	40.6	0.0
Household Distribution by Income Level	224,620	25.1	15.9	16.9	42.2	0.0
Median Family Income MSA - 42540 Scranton--Wilkes-Barre, PA MSA		\$59,887	Median Housing Value			\$130,472
			Median Gross Rent			\$710
			Families Below Poverty Level			11.1%
<i>Source: 2015 ACS and 2021 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Scope of Evaluation in Pennsylvania

CSB has three assessment areas (AA), including Scranton – Wilkes Barre AA, East Stroudsburg – Pike AA, and Wayne County AA. We performed a full scope examination of the bank’s Scranton – Wilkes Barre AA since the majority of the loan originations, branches and deposits are within this AA. Five of the bank’s seven branches are located in this AA. Approximately 75 percent of the loans originated or purchased during the evaluation period were made in this AA. We performed a limited scope review of the East Stroudsburg Pike AA and Wayne County AA.

The Scranton–Wilkes Barre AA is comprised of Lackawanna, Luzerne and Wyoming Counties. The AA is comprised of MSA #42540. The bank designated all 170 census tracts in the MSA as its AA. This AA meets the requirements of the regulation and does not arbitrarily exclude any low- or moderate-income areas.

The second AA is comprised of Monroe County and Pike County. Monroe County is part of the East Stroudsburg MSA #20700. Pike County is part of the New York – Newark – Jersey City, NY-NJ-PA MSA #35620. These two MSAs are combined under the New York-Newark, NY-NJ-CT-PA CSA #408. The bank has selected all census tracts within Monroe County and partial tracts from Pike County. The tracts selected from Pike County are adjacent to the Scranton-Wilkes Barre AA and the Wayne County AA. The tracts are contiguous and reasonable, with no conspicuous omissions, considering the location of the bank’s branches. This AA meets the requirements of the regulation and does not arbitrarily exclude any low- or moderate-income areas.

The third AA is comprised of all census tracts of Wayne County which is a non-MSA. The AA is adjacent to the Scranton-Wilkes Barre AA, Pike and Monroe Counties. The AA consists of all 14 census tracts in the county. This AA meets the requirements of the regulation and does not arbitrarily exclude any low- or moderate-income areas.

Please refer to appendix A for a list of all AAs under review.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN PENNSYLVANIA

LENDING TEST

The bank's performance under the Lending Test in Pennsylvania is rated Satisfactory.

Conclusions for Area Receiving a Full-Scope Review

The state rating is based on performance in the AAs receiving full- and limited-scope reviews. Based on a full-scope review, the bank's lending performance in the state of Pennsylvania is reasonable. The state rating is not reflective of the conclusions for the full-scope area. Performance in the limited-scope areas improved performance, lending to the overall state rating.

Distribution of Loans by Income Level of the Geography

The bank exhibits reasonable geographic distribution of loans in the state.

Home Mortgage Loans – Scranton-Wilkes Barre AA

Refer to Table O in the state of Pennsylvania section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The bank's distribution of home mortgage loans by geographic distribution reflects poor distribution throughout the AA. The geographic distribution of the bank's home mortgage originations reflects a need to improve. The percentage of loans in low-income census tracts is well below the percentage of owner-occupied housing units and aggregate loans. Likewise, the percentage of loans in moderate-income census tracts is below the percentage of owner-occupied housing units and aggregate loans.

Distribution of Loans by Income Level of the Borrower

The bank exhibits a reasonable distribution of loans to individuals of different income levels of different sizes, given the product lines offered by the bank.

Home Mortgage Loans – Scranton-Wilkes Barre AA

Refer to Table P in the state of Pennsylvania section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The bank's distribution of home mortgage reflects reasonable penetration among the individuals of different income levels. In our analysis, we considered the affordability of home ownership for low-income families. The weighted average median cost of housing in the AA is \$130,472. According to the FFIEC, the adjusted median family income is \$71,700. A low-income family earns less than \$35,850, and a moderate-income family earns less than \$57,360. In addition, 11 percent of families in the AA fall below the poverty level. These considerations of housing affordability limit the opportunity to originate home mortgage loans to low-income borrowers.

The bank's distribution of loans to low-income borrowers is well below the number of low-income families in the AA, the distribution of loan to low-income borrower is slightly below the aggregate distribution of loans to low-income families. The bank's distribution of loan to moderate-income borrowers is slightly below the percentage of moderate-income families in the AA and slightly below the aggregate.

Responses to Complaints

Citizens Savings Bank did not receive any CRA-related complaints during the evaluation period.

Conclusions for Areas Receiving a Limited Scope Review

East Stroudsburg-Pike AA

Based on limited-scope review, the bank's performance under the Lending Test in the East Stroudsburg – Pike AA is stronger than the bank's overall performance under the Lending Test in the full scope area(s). The bank's performance of originating home mortgage loans in geographies of different incomes represents excellent distribution. There are no low-income census tracts in the AA. The percentage of loans in moderate-income census tracts exceeds the percentage of owner-occupied housing units and aggregate loans.

Based on a limited-scope review, the bank's home loan mortgage originations in this AA reflect a reasonable distribution of loans to borrowers of different income levels. Refer to Table P in Appendix C for the data that supports this conclusion.

This performance will serve as a mitigant against the bank's poor performance lending to geographies of different incomes within the full-scope review.

Wayne County AA

Based on a limited-scope review, the bank's performance under the Lending Test in the Wayne County AA is consistent with the bank's overall performance under the Lending Test in the full scope area(s).

The bank's performance of originating home mortgage loans in geographies of different incomes represents excellent distribution. There are no low-income census tracts in the AA. The percentage of loans in moderate-income census tracts exceeds the percentage of owner-occupied housing units and aggregate loans.

The bank's performance of lending to borrowers of different incomes in the AA represents reasonable distribution. Refer to Table P in Appendix C for the data that supports this conclusion.

COMMUNITY DEVELOPMENT TEST

The bank's performance under the Community Development Test in the state of Pennsylvania is rated Satisfactory.

Conclusions for Area Receiving a Full Scope Review

Based on a full-scope review, the bank exhibits adequate responsiveness to community development needs in the state through community development loans, qualified investments, and community development services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's assessment area(s).

CSB's community development activities demonstrate adequate responsiveness to the community development needs of its AAs, when considering the bank's capacity, its performance context, and the availability of community development opportunities in the bank's AAs. Since the bank is primarily a residential and consumer lender, it does not customarily offer loans that would qualify as CD loans. Therefore, the bank's CD investments and services received more weight.

Number and Amount of Community Development Loans

CSB did not originate any CD loans in this AA during the evaluation period. CSB's lending products are limited exclusively to residential and consumer lending. As such, it is reasonable that the bank did not originate any CD loans. However, in response to the Pandemic Loan Relief Program, the bank deferred payments to six low-to-moderate income borrowers for a total of \$17,316.

Number and Amount of Qualified Investments

CSB did not make any qualifying CD investments during the review period. CSB made grants and donations for a total of \$73,795 for the review period to numerous organizations that provide economic development, affordable housing, and community services to LMI individuals and families throughout the AA.

Extent to Which the Bank Provides Community Development Services

- A bank employee provided financial and technical expertise by serving on a committee for an organization that provides community services, childcare, youth programs, active older adult programs, community education and revitalization, community health, and housing community development services to LMI families in Northeastern Pennsylvania.
- A bank officer reviews applications in the AA for a nonprofit to determine qualifications for low- to moderate-income applicants who may be eligible for home purchase mortgages and grants.
- Eight bank employees, through a neighborhood nonprofit in the AA, assist in providing home safety kits and home improvement projects for low- to moderate-income homeowners.
- Two bank employee provided technical expertise to an organization that provides a network of support, professional attire, and developmental tools to LMI women in Lackawanna County.

- CSB, through the Federal Home Loan Bank of Pittsburgh, participated in Home4Good in 2021. This is a flexible grant program that supports projects, programs and activities that lead to stable housing for those who are homeless or at risk of becoming homeless. Total grant amount was \$53,000 distributed to non-profit organizations that support low- to moderate-income individuals in the bank's Scranton – Wilkes Barre – Hazleton, PA – AA.

Conclusions for Areas Receiving Limited Scope Reviews

Based on limited scope reviews, the bank's performance under the CD Test in the East Stroudsburg-Pike AA and Wayne County, PA AA is consistent with the bank's overall performance under the CD Test in the full scope area.

Number and Amount of Community Development Loans

CSB did not originate any CD loans in East Stroudsburg-Pike AA or Wayne County AA during the evaluation period. As previously stated, CSB's lending products are limited exclusively to residential and consumer lending. As such, it is reasonable that the bank did not originate any CD loans.

Number and Amount of Qualified Investments

CSB did not make any qualifying CD investments during the review period. CSB made grants and donations for a total of \$7,162 in the East Stroudsburg-Pike AA and \$562 in the Wayne County AA, that provide economic development, affordable housing, and community services to LMI individuals and families throughout both assessment areas.

Extent to Which the Bank Provides Community Development Services

- A bank officer provided financial and technical expertise in the East Stroudsburg-Pike AA by serving on a Finance and Loan Oversight Committee of an organization that provides home rehabilitation services and first-time homebuyers programs to low- and moderate-income families in Northeastern Pennsylvania.
- CSB, through the Federal Home Loan Bank of Pittsburgh, participated in Home4Good in 2021. This is a flexible grant program that supports projects, programs and activities that lead to stable housing for those who are homeless or at risk of becoming homeless. Total grant amount was \$123,000 distributed to non-profit organizations that support low- to moderate-income individuals in the bank's East Stroudsburg-Pike AA and Wayne County, PA AA.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the MSA(s) and non-MSA(s) that received comprehensive examination review, designated by the term “full-scope,” and those that received a less comprehensive review, designated by the term “limited-scope”.

Time Period Reviewed:	01/01/2019 – 12/31/2021	
Bank Products Reviewed:	Home mortgage loans, community development loans, qualified investments, community development services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
N/A		
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
Pennsylvania		
Scranton-Wilkes Barre AA	Full-scope	Whole counties of Lackawanna, Luzerne, and Wyoming
East Stroudsburg-Pike AA	Limited-scope	Whole county of Monroe, partial tracts from Pike County.
Wayne County AA	Limited-scope	Whole Wayne County.

Appendix B: Summary of MMSA and State Ratings

RATINGS		Citizens Savings Bank	
Overall Bank:	Lending Test Rating*	CD Test Rating	Overall Bank/State/Multistate Rating
Citizens Savings Bank	Satisfactory	Satisfactory	Satisfactory
MMSA or State:			
Pennsylvania	Satisfactory	Satisfactory	Satisfactory

(*) The Lending Test and Community Development Test carry equal weight in the overall rating.

Appendix C: Definitions and Common Abbreviations

The following terms and abbreviations are 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 state/assessment area.

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 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

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 state/assessment area.

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 community development.

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.

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.

Appendix D: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.

Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2019-21	
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	
Scranton – Wilkes Barre - AA	616	103,966	75.3	16,295	1.6	0.3	1.4	14.2	8.1	12.0	56.5	47.9	51.4	27.6	43.7	35.2	0.0	0.0	0.0	
East Stroudsburg – Pike County AA	129	23,526	15.8	8,502	0.0	0.0	0.0	14.5	23.3	17.3	80.6	75.2	79.1	4.9	1.6	3.6	0.0	0.0	0.0	
Wayne County AA	73	12,468	8.9	2,454	0.0	0.0	0.0	6.6	8.2	5.6	84.4	86.3	87.3	9.0	5.5	7.1	0.0	0.0	0.0	
Total	818	139,961	100.0	27,251	1.1	0.2	0.8	13.8	10.5	13.1	64.1	55.6	63.3	20.9	33.6	22.8	0.0	0.0	0.0	

Source: 2015 ACS Census; 01/01/2019 - 12/31/2021 Bank Data, 2020 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2019-21	
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers			
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	
Scranton – Wilkes Barre - AA	616	103,966	75.3	16,295	21.3	4.2	7.8	17.6	13.1	16.6	20.5	21.3	20.4	40.6	61.4	35.7	0.0	--	19.5	
East Stroudsburg – Pike County AA	129	23,526	15.8	8,502	22.3	4.7	5.7	19.0	16.3	16.3	21.2	21.7	19.9	37.5	57.4	37.9	0.0	--	20.2	
Wayne County AA	73	12,468	10.9	2,454	15.2	4.2	3.0	17.4	7.4	10.1	23.6	13.7	16.3	43.8	78.1	54.7	0.0	--	15.8	
Total	818	139,961	100.0	27,251	21.2	4.2	6.7	18.0	13.0	15.9	20.8	20.7	19.9	40.1	62.2	38.1	0.0	--	19.4	

*Source: 2015 ACS Census ; 01/01/2019 - 12/31/2021 Bank Data, 2020 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%*