



## PUBLIC DISCLOSURE

February 18, 2020

## COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

NexTier Bank, NA  
Charter Number 5073

222 Market Street  
Kittanning, PA 16201

Office of the Comptroller of the Currency

Corporate One Officer Park, Bldg. 2  
4075 Monroeville Blvd, Suite 430  
Monroeville, PA 15146-2529

**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.

## Table of Contents

Overall CRA Rating.....	1
Description of Institution.....	3
Scope of the Evaluation.....	4
Discriminatory or Other Illegal Credit Practices Review.....	5
State Rating.....	6
State of Pennsylvania.....	6
Appendix A: Scope of Examination.....	A-1
Appendix B: Summary of MMSA and State Ratings.....	B-1
Appendix C: Definitions and Common Abbreviations.....	C-1
Appendix D: Tables of Performance Data.....	D-1

## Overall CRA Rating

**Institution's CRA Rating:** This institution is rated **Outstanding**

**The lending test is rated: Outstanding**

**The community development test is rated: Outstanding**

The major factors that support this rating include:

- NexTier Bank, NA's (NexTier) record of originating loans, as indicated by the loan-to-deposit ratio, is reasonable.
- NexTier originated a majority of its residential real estate loans inside its assessment area (AA).
- The borrower distribution of loans exhibits excellent penetration among individuals of different income levels given the credit needs of AA and market competition.
- NexTier's record of originating residential real estate loans to borrowers of different geographic distribution levels exhibits excellent dispersion among AA geographies.
- NexTier's community development (CD) performance exhibits excellent responsiveness to the CD needs of the AA through CD lending, qualified investments, CD donations and grants, and services.

### Loan-to-Deposit Ratio

NexTier's LTD ratio, as compared to the average LTD ratio exhibited by financial institutions that are direct competition within the AA over the same period, is reasonable. The LTD ratio is calculated on a bank-wide basis.

NexTier's quarterly average LTD ratio is reasonable compared to financial institutions operating in the same AA, within the context of competitive factors present. NexTier's average quarterly LTD ratio for the evaluation period was 88.6 percent. This ratio is higher than the quarterly average LTD ratio for competitor financial institutions at 77.0 percent. Direct competitor financial institutions included Pennsylvania banks with assets both lower than and greater than NexTier, which ranged \$307 million and \$983 million. While these banks operate within the same counties as NexTier, a comparison of similarly situated institutions cannot be performed for this ratio since the asset size of NexTier is an outlier at \$1.4 billion.

Lending activity over the evaluation period was measured by comparing the twelve-quarter average LTD ratios reported by NexTier and its local competitive group. The twelve-quarter average LTD was calculated using financial data reported since the previous performance evaluation. The calculation included quarter-end financial data reported for each of the twelve quarters from the fourth quarter of 2016 through the fourth quarter of 2018.

## Lending in Assessment Area

NexTier Bank originated a majority of its residential mortgage loans inside its AA.

In order to evaluate NexTier's lending in its AA over the evaluation period, we measured and analyzed NexTier's record of originating loans inside compared to those originated outside of its AA. This analysis considered NexTier's lending record on a bank-wide basis. Nextier's origination of a substantial majority of loans within its AA during the evaluation period was given favorable consideration when analyzing the geographic distribution of lending. We compared the volume and dollar amounts of residential loans originated within the AA to the volume and dollar amounts of loans outside of the AA originated by NexTier during 2016 and 2018. NexTier's residential real estate loan originations included loans for purposes of home purchase, home improvement, and home refinance. NexTier originated 74.9 percent by number and 69.9 percent by dollar amount of loans in the AA.

<b>Table D - Lending Inside and Outside of the Assessment Area</b>										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2017	309	82.4	66	17.6	375	68,780	77.2	20,315	22.8	89,095
2018	288	68.2	134	31.8	422	53,515	62.4	32,263	37.6	85,778
<b>Subtotal</b>	<b>597</b>	<b>74.9</b>	<b>200</b>	<b>25.1</b>	<b>797</b>	<b>122,295</b>	<b>69.9</b>	<b>52,578</b>	<b>30.1</b>	<b>174,873</b>
<b>Total</b>	<b>597</b>	<b>74.9</b>	<b>200</b>	<b>25.1</b>	<b>797</b>	<b>122,295</b>	<b>69.9</b>	<b>52,578</b>	<b>30.1</b>	<b>174,873</b>
Source: Evaluation Period: 1/1/2017 - 12/31/2018 Bank Data Due to rounding, totals may not equal 100.0										

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	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2016	262	80.4	64	19.6	326	41,065	80.5	9,977	19.5	51,042
<b>Subtotal</b>	<b>262</b>	<b>80.4</b>	<b>64</b>	<b>19.6</b>	<b>326</b>	<b>41,065</b>	<b>80.5</b>	<b>9,977</b>	<b>19.5</b>	<b>51,042</b>
<b>Total</b>	<b>262</b>	<b>80.4</b>	<b>64</b>	<b>19.6</b>	<b>326</b>	<b>41,065</b>	<b>80.5</b>	<b>9,977</b>	<b>19.5</b>	<b>51,042</b>
Source: Evaluation Period: 1/1/2016 - 12/31/2016 Bank Data Due to rounding, totals may not equal 100.0										

## Description of Institution

NexTier Bank is an independently owned intrastate community bank. NexTier Bank's headquarters and main office are located in Kittanning, Pennsylvania. NexTier Bank is a wholly owned subsidiary of NexTier, Inc., which is also headquartered in Kittanning, Pennsylvania. The borough of Kittanning is located in Armstrong County in Western Pennsylvania. Armstrong County is located approximately 44 miles northeast of Pittsburgh, Pennsylvania. NexTier Bank's assessment area includes all of Armstrong, Butler, and Allegheny Counties and portions of Westmoreland County, which are contiguous to Armstrong County.

As of December 31, 2018, NexTier Bank's assets totaled \$1.3 billion, deposits totaled \$1.1 billion and tier 1 capital totaled \$131.5 million. Net loans and leases totaled \$1.02 billion, representing 81.5 percent of total assets. Assets included investments of \$128.6 million, real estate loans of \$804.4 million, commercial loans of \$97 million, and loans to individuals of \$92.1 million. Residential (1-4 family) mortgage loans, commercial mortgages, and commercial and industrial loans represented 35.3 percent, 42.6 percent, and 9.4 percent, respectively, of NexTier Bank's loan portfolio. NexTier's strategy is to continue to originate residential mortgage and commercial loans in its market area.

Merger activity during the evaluation period resulted in expansion of the bank's assessment area. The majority of the Allegheny County portion was added to the Bank's AA as a result of the Eureka merger in January of 2016. The Eureka merger added two branches to the Nextier footprint. In addition, 21 CT's in Westmoreland County were added to the AA as a result of the Manor Bank merger in April of 2017. The Manor merger also added two branches to the Nextier footprint.

NexTier operates 27 full-service, retail branch offices, 1 limited-service branch, and 5 loan production offices. NexTier operates 8 branches in low- to moderate-income census tracts. Retail branches in low- to moderate-income census tracts represent 28.6 percent of NexTier's total branch footprint. As a result of the Eureka and Manor Bank merger activity, Nextier acquired four additional branches within their AA, two from Eureka Bank and two from Manor Bank.

There are no factors, legal or otherwise, that hindered NexTier's ability to help meet the credit needs of its AA. NexTier's most recent Performance Evaluation, dated February 13, 2017, assigned an "Outstanding" CRA rating to the bank.

The analysis also takes into consideration comments provided by two community organizations serving the bank's Butler County portion of the Pittsburgh, PA MSA assessment area. The organizations are involved in affordable housing, home rehabilitation, and small business development. One organization described the county economy as having two growth speeds. The southwestern portion of Butler County is seeing the majority of the growth while the City of Butler and the northern portions of the county are seeing little to no growth. The key challenge is funding for the increased need for affordable housing. The other community organization focuses on business development for Butler County. This organization contact communicated the need infrastructure financing, including transportation, to attract larger employers to the north section of Butler County and for the City of Butler. Homes are more affordable in the northern section and in the City of Butler. However, the LMI households are not able to successfully commute to where the jobs are located in the southwestern section of the county.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

NexTier's performance relative to the Community Reinvestment Act (CRA) was evaluated under the Intermediate Small Bank (ISB) examination procedures. The ISB procedures include a lending test and a CD test. The lending test evaluates the bank's record of meeting the credit needs of its AA through its lending activities. The CD test evaluates the bank's responsiveness to CD needs of its AA through funding CD loans and investments and participating in CD services.

NexTier's primary loan product is residential (home) mortgage loans that include home purchase, home improvement, and home mortgage refinance loans. The evaluation period for home mortgage lending data is January 1, 2016 to December 31, 2018. Due to the interim US Census completed in 2015, the three-year evaluation period for the lending test has been divided into two periods. Primary consideration was for the period of January 2017 through December 31, 2018 as a larger volume of loans was originated during this period. Performance for the period of January 1, 2016 through December 31, 2016 was analyzed in relation to the performance during 2017-2018. We specifically note where performance in 2016 was either stronger, weaker, or consistent with performance in 2017-2018 and whether a difference in performance in 2016 has affected overall conclusions. For 2016, performance was compared to the 2010 U.S. Census data as well as 2016 Dun & Bradstreet (D&B) data. For 2017 and 2018, performance was compared to 2015 American Community Survey (ACS) census data and 2018 D&B data. All other activities, inclusive of CD loans, qualified investments, branching activities, and CD services were evaluated across the full evaluation period of January 1, 2016 through December 31, 2018.

Merger and acquisition activity occurred during the evaluation period. In January 2016, NexTier completed a merger with Eureka Bank. In April 2017, NexTier acquired Manor Bank. Lending and community development activities that occurred at both Eureka Bank and Manor bank prior to the merger or acquisition dates and during the evaluation period were considered in NexTier's overall performance. For further details on the merger with Eureka Bank or acquisition of Manor Bank, refer to the Description of Institution section of this Performance Evaluation.

### Selection of Areas for Full-Scope Review

NexTier has one AA. We performed a full-scope review for this AA. Refer to appendix A, Scope of Examination, for a list of full-scope AAs.

### Ratings

The bank's overall rating is based on the state of Pennsylvania.

## **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. We considered the nature, extent, and strength of the evidence of the practices; the extent to which institution had policies and procedures in place to prevent the practices; and the extent to which the institution has taken or has committed to take corrective action, including voluntary corrective action resulting from self-assessment; and other relevant information.

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:** Outstanding

**The Lending Test is rated:** Outstanding

**The Community Development Test is rated:** Outstanding

The major factors that support this rating include:

- The bank exhibits excellent geographic distribution of loans in the AAs.
- The bank exhibits excellent distribution of loans to individuals of different income levels.
- NexTier's community development (CD) performance exhibits excellent responsiveness to the CD needs of the AA through CD lending, qualified donations or investments, and services.

### Description of Institution's Operations in Pennsylvania

NexTier only maintains branches within the state of Pennsylvania, therefore, there is no difference in the description of the institution's operations at the overall and state level. Please refer to the overall description of institution's operations for additional information.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Nextier 2018 Pgh MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	491	10.2	21.2	40.3	25.3	3.1
Population by Geography	1,582,928	6.0	17.3	43.8	32.0	0.8
Housing Units by Geography	745,430	7.1	19.5	44.2	29.1	0.2
Owner-Occupied Units by Geography	454,286	3.3	14.7	46.9	35.1	0.0
Occupied Rental Units by Geography	218,552	12.1	26.2	40.8	20.5	0.5
Vacant Units by Geography	72,592	15.3	29.3	37.8	17.3	0.4
Businesses by Geography	114,097	5.3	12.5	39.7	41.3	1.1
Farms by Geography	2,408	2.4	10.4	54.4	32.7	0.1
Family Distribution by Income Level	403,868	20.4	16.6	20.0	43.1	0.0
Household Distribution by Income Level	672,838	24.7	15.1	16.8	43.4	0.0
Median Family Income MSA - 38300 Pittsburgh, PA MSA		\$69,624	Median Housing Value			\$141,816
			Median Gross Rent			\$793
			Families Below Poverty Level			8.4%

Source: 2015 ACS Census and 2018 D&B Data  
Due to rounding, totals may not equal 100.0  
(\* ) The NA category consists of geographies that have not been assigned an income classification.



AA banking competition is strong. NexTier's AA contains branches from large financial institutions, savings institutions, and community banks. PNC Bank, Bank of New York Mellon, and BNY Mellon, National Association have a 46 percent, 12.3 percent and 10.7 percent deposit share in the AA, respectively. NexTier bank is ranked 12th in their AA with 0.8 percent of the total deposit share. In addition, mortgage competition is strong as well. PNC, Wells Fargo and Dollar bank have a 10.4 percent, 7.3 percent and 7.2 percent market share, respectively, in the 1-4 family residential mortgage market. NexTier is ranked 37th in this mortgage market with a .6 percent market share.

For NexTier's AA, the 2015 census reports a total population of 1,582,928, total families of 403,868 and total owner-occupied households of 454,286. Of the 745,430 total AA housing units, 61 percent are owner occupied, 29.3 percent are rentals and 9.7 percent are vacant. Of AA owner-occupied housing, 3.3 percent is located within low-income CTs and 14.7 percent is located within moderate-income CTs. The median housing value in NexTier's AA is \$141,816. The housing supply in Butler County, NexTier's largest portion of its AA, consists primarily of newer homes, those built in 1970 or later.

FFIEC data updated for 2015, reports the Pittsburgh, PA MSA adjusted median family income to be \$69,624. Of AA families, 20.4 percent, 16.6 percent, 20 percent and 43.1 percent are classified as low-, moderate-, middle- and upper-income, respectively. In the AA, 8.4 percent of the population are below the poverty level. These AA demographic factors significantly impact housing affordability and corresponding residential mortgage loan demand from low- and moderate-income AA residents.

The Pittsburgh metropolitan area, including NexTier's AA, is one of Pennsylvania's strongest metropolitan areas. According to the 2015 business demographic data, 114,097 businesses operate within NexTier's AA, of which 2,408 are farms.

Major employers within the Pittsburgh MSA include UPMC, University of Pittsburgh, PNC Financial Services, Allegheny Health Network, and Wal-Mart Stores Inc. Employment within NexTier's AA is diversified with retail, manufacturing, services and healthcare opportunities. Unemployment rates reported as of December 2018, from the Bureau of Labor Statistics for Allegheny, Armstrong, Butler and Westmoreland Counties were 3.6 percent, 4.9 percent, 3.5 percent and 4.1 percent, respectively. The State unemployment rate was 4.2 percent for the same time period.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN PENNSYLVANIA**

### **LENDING TEST**

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

Based on a full-scope review the bank's lending performance in the state of Pennsylvania is excellent.

### **Distribution of Loans by Income Level of the Geography**

The bank exhibits excellent geographic distribution of loans in the state of Pennsylvania. We found no conspicuous gaps or areas of low activity in the bank's lending patterns.

### ***Home Mortgage Loans***

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.

NexTier demonstrated excellent distribution of home mortgage loans to borrowers located in low and moderate-income tracts. NexTier exhibited excellent distribution in 2017 and 2018, with 3.2 percent of home mortgage loans made to borrowers located in low-income tracts. This is near to the demographic data showing 3.3 percent of owner-occupied housing units in the AA are located in low-income tracts. The bank also exceeded aggregate data indicating 1.7 percent of home mortgage loans were to borrowers located in low-income tracts. NexTier exhibited excellent distribution in 2017 and 2018, with 23.8 percent of home mortgage loans made to borrowers located in moderate-income tracts. This exceeds the demographic data showing 14.7 percent of owner-occupied housing units in the AA are located in moderate-income tracts. The bank also exceeded aggregate data indicating 11.5 percent of home mortgage loans were to borrowers located in moderate-income tracts.

NexTier's geographic distribution of home purchase loans in 2016 is consistent with 2017 and 2018 distributions.

### **Distribution of Loans by Income Level of the Borrower**

The bank exhibits an excellent distribution of loans to individuals of different income levels and given the product lines offered by the bank.

### ***Home Mortgage Loans***

The distribution of home loans to borrowers reflects excellent penetration among borrowers of different income levels, in 2017/2018. The bank has an excellent penetration among low-income borrowers for home loans as bank performance exceeds aggregate peer home mortgage lending in both 2017/2018. The penetration among moderate-income borrowers in the AA is good, and bank performance is consistent with aggregate peer home mortgage lending. In reaching a conclusion, we weighed the low-income borrowers more heavily as a higher percentage of families lives within this tract. Table P shows the distribution of home loans among borrowers of different income levels.

NexTier's income distribution of home purchase loans in 2016 is stronger than 2017 and 2018 distributions.

As part of our analysis, we considered the affordability of housing within the Pittsburgh, PA MSA AA. The median family income of \$69,624 compares favorably to the median housing value of \$141,816, indicating broad affordability within the AA. Low-income households, which have maximum incomes of 50 percent of the median household income, or \$34,812, and moderate-income households, which have a maximum household income of 80 percent of the median household income, or \$55,699, would generally find housing affordable as the median home price is 4.0 times the maximum low-income household income and 2.5 times the maximum moderate-income household income. Housing is attainable for LMI households in the PGH MSA.

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.

## Responses to Complaints

There were no CRA complaints received by the bank or the agency since the prior examination regarding performance in meeting the credit needs of the bank's established AA.

## COMMUNITY DEVELOPMENT TEST

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

Based on a full-scope review, the bank exhibits excellent responsiveness to community development 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.

### Number and Amount of Community Development Loans

NexTier provided an excellent level of qualified loans that were responsive to the community development needs and initiatives of the AA. During the evaluation period, the bank originated 29 community development loans totaling \$35.1 million, representing 28.8 percent of Tier 1 Capital.

The responsiveness to community development needs has a positive impact on the lending test. These CD loans supported such activities as affordable housing, workforce development, job creation, economic development, financial stability, and essential community services for low- and moderate-income individuals and neighborhoods in the AA. Examples of CD loans include:

- A \$688 thousand loan to purchase a 19-unit apartment complex for section 8 housing.
- Three loans totaling \$2.67million for a private non-profit human services organization that deals primarily with affordable housing.
- A \$5 million loan to a non-profit organization that provides health services and housing to seniors, primarily low to moderate income individuals.
- Two loans totaling \$9.9 million to a local business that owns and operates nursing facilities for low to moderate income individuals.
- A \$5.5 million loan to complete the second phase of a revitalization project located in an LMI census tract. The project is expected to generate more business and produce additional revenue for the local businesses.

The Community Development Loans Table, shown below, sets forth the information and data used to evaluate the bank's level of CD lending. The table includes all CD loans, including multifamily loans that also qualify as CD loans.

<i>Community Development Loans</i>				
Assessment Area	Total			
	#	% of Total #	\$(000's)	% of Total \$
Pennsylvania	29	100.0	\$35,054	100.0

### Number and Amount of Qualified Investments

The number and dollar amount of investments and donations inside, NexTier's AA demonstrates excellent responsiveness to CD needs in the AA. Within the evaluation period, the bank provided five qualified investments within the AA for a total of \$3.1 million, and 330 donations that totaled \$1.16 million both inside and outside the AA. These qualified investments represented 3.2 percent of Tier 1 Capital.

Some of these include:

- Five investments, totaling \$2.4 million, for projects which will provide small and middle market owners and managers flexible capital financing solutions and make lower cost tax-exempt financing available to colleges and universities. The investments will also provide for capital projects, such as local repair and revitalization projects. These projects take place in low to moderate-income census tracts.
- Multi-year donations to more than 250 organizations to support economic development, youth programs, scholarships, and community services. Contributions to the various organizations range in amounts from \$100 to \$54 thousand.
- A contribution in the amounts of \$54 and \$60 thousand a year, for three years, to support local community-based charitable purposes in the areas of health, education, economic development, human resources, and historical, cultural, and environmental activities.
- A contribution in the amount of \$30 thousand a year for three years, to support enhancing and enriching the learning experiences of students by encouraging and supporting the development of educational programs.

Qualified Investments										
Assessment Area	Prior Period		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Pennsylvania	1	\$755	4	\$2,416	5	100.0	\$3,170	100.0	1	\$1,060

\* Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

\*\* Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

### Extent to Which the Bank Provides Community Development Services

NexTier bank has excellent responsiveness in providing community development services within their AA. Bank management and employees spent a significant number of hours providing financial and technical expertise to 24 separate organizations that provide community services to low- and moderate-income individuals and families, support affordable housing, and promote economic development within

their AA. NexTier Bank dedicated an average of 444 hours per year during the evaluation period towards community development services. Examples of activities and organizations served include:

- A member of Management serves on a board for a Community Development Corporation which promotes economic development.
- A NexTier bank employee serves on the board of a local charity that provides services and support to low- and moderate-income children in their area.
- A member of management serves on the board of a local non-profit organization that provides affordable housing to the community.
- A member of Management is an advisory board member/treasurer for a local charity that provides support to low- and moderate-income residents.
- A member of management serves as a board member for a local non-profit which fosters workforce development, entrepreneurship and financial literacy skills for children K-12.

## Appendix A: Scope of Examination

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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”.

<b>Time Period Reviewed:</b>	(01/01/2016 to 12/31/2018)	
<b>Bank Products Reviewed:</b>	Home mortgage Community development loans, qualified investments, community development services	
<b>List of Assessment Areas and Type of Examination</b>		
<b>Rating and Assessment Areas</b>	<b>Type of Exam</b>	<b>Other Information</b>
Pennsylvania	Full scope	

# Appendix B: Summary of MMSA and State Ratings

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RATINGS NexTier Bank, NA			
Overall Bank:	Lending Test Rating	CD Test Rating	Overall Bank/State/Multistate Rating
Pennsylvania	Outstanding	Outstanding	Outstanding

## Appendix C: Definitions and Common Abbreviations

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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

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### 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 30<sup>th</sup> 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.

<b>Table O : Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography</b>																			<b>2016</b>	
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	
Nextier 201 6 Pgh MSA A A	262	41,065	100.0	46,383	2.5	3.1	1.3	15.6	21.8	10.3	46.5	57.3	43.4	35.4	17.9	45.0	0.0	0.0	0.0	
<b>Total</b>	<b>262</b>	<b>41,065</b>	<b>100.0</b>	<b>46,383</b>	<b>2.5</b>	<b>3.1</b>	<b>1.3</b>	<b>15.6</b>	<b>21.8</b>	<b>10.3</b>	<b>46.5</b>	<b>57.3</b>	<b>43.4</b>	<b>35.4</b>	<b>17.9</b>	<b>45.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	

Source: 2010 U.S Census; 01/01/2016 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0

<b>Table O : Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography</b>																			<b>2017-2018</b>	
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	
Nextier 201 8 Pgh MSA A A	597	122,295	100.0	49,497	3.3	3.2	1.7	14.7	23.8	11.5	46.9	53.4	44.5	35.1	19.1	42.3	0.0	0.5	0.0	
<b>Total</b>	<b>597</b>	<b>122,295</b>	<b>100.0</b>	<b>49,497</b>	<b>3.3</b>	<b>3.2</b>	<b>1.7</b>	<b>14.7</b>	<b>23.8</b>	<b>11.5</b>	<b>46.9</b>	<b>53.4</b>	<b>44.5</b>	<b>35.1</b>	<b>19.1</b>	<b>42.3</b>	<b>0.0</b>	<b>0.5</b>	<b>0.0</b>	

Source: 2015 ACS Census; 01/01/2017 - 12/31/2018 Bank Data, 2018 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0

<b>Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower</b>																			<b>2016</b>	
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	
Nextier 2016 Pgh MSA AA	262	41,065	100.0	46,383	19.0	9.5	7.2	17.3	17.6	17.3	21.3	25.2	20.3	42.4	36.6	42.7	0.0	11.1	12.5	
<b>Total</b>	<b>262</b>	<b>41,065</b>	<b>100.0</b>	<b>46,383</b>	<b>19.0</b>	<b>9.5</b>	<b>7.2</b>	<b>17.3</b>	<b>17.6</b>	<b>17.3</b>	<b>21.3</b>	<b>25.2</b>	<b>20.3</b>	<b>42.4</b>	<b>36.6</b>	<b>42.7</b>	<b>0.0</b>	<b>11.1</b>	<b>12.5</b>	

*Source: 2010 U.S. Census ; 01/01/2016 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0*

<b>Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower</b>																			<b>2017-2018</b>	
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	
Nextier 2018 Pgh MSA AA	597	122,295	100.0	49,497	20.4	9.5	8.5	16.6	14.4	18.8	20.0	21.4	21.4	43.1	37.2	41.0	0.0	17.4	10.3	
<b>Total</b>	<b>597</b>	<b>122,295</b>	<b>100.0</b>	<b>49,497</b>	<b>20.4</b>	<b>9.5</b>	<b>8.5</b>	<b>16.6</b>	<b>14.4</b>	<b>18.8</b>	<b>20.0</b>	<b>21.4</b>	<b>21.4</b>	<b>43.1</b>	<b>37.2</b>	<b>41.0</b>	<b>0.0</b>	<b>17.4</b>	<b>10.3</b>	

*Source: 2015 ACS Census ; 01/01/2017 - 12/31/2018 Bank Data, 2018 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0*