



## **PUBLIC DISCLOSURE**

January 11, 2021

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

The National Grand Bank of Marblehead  
Charter Number: 676

91 Pleasant Street  
Marblehead, MA 01945

Office of the Comptroller of the Currency

99 Summer Street  
Suite 1400  
Boston, MA 02110

**NOTE:** This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income (LMI) 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 major factors that support this rating include:

- The LT rating is based on The National Grand Bank of Marblehead's ("NGBM" or "the bank") record of performance in meeting the credit needs of the assessment area (AA) during the evaluation period through its lending activities. The evaluation period for the LT is from January 1, 2017 to December 31, 2019.
- Considering the bank's size, financial condition, and credit needs of the AA, the bank's loan-to-deposit is reasonable.
- A substantial majority of the bank's loans are in its AA.
- Lending levels reflect reasonable responsiveness to AA credit needs.
- The bank was not subject to any CRA or Fair Lending related complaints during the evaluation period.

### Loan-to-Deposit Ratio

Considering the institution's size, financial condition and the credit needs of the AA, the bank's loan-to-deposit ratio is considered reasonable. The bank's quarterly loan-to-deposit ratio averaged approximately 93.0 percent over the 12 quarters correlating to the LT evaluation period, January 1, 2017 to December 31, 2019, ranging from a quarterly low of 85.3 percent to a high of 96.8 percent. This performance marks an increase from NGBM's 90.0 percent averaged quarterly loan-to-deposit ratio cited during the previous small bank CRA performance evaluation. NGBM's net quarterly loan-to-deposit ratio is near to the average quarterly ratios reported of peer institutions with similar asset size and scope of operations with selected peer institutions reporting an average quarterly loan-to-deposit ratio of 94.2 percent.

### Lending in Assessment Area

A substantial majority of the bank's loans are in its AA.

The bank originated and/or purchased 80.6 percent of its total loans inside the delineated AA during the evaluation period. Additionally, the bank originated 86.5 percent by dollar amount of its loans inside the AA. This analysis is performed at the bank, rather than the AA, level and does not include extensions of credit by affiliates that may be considered under the other performance criteria as the bank did not submit any affiliate lending for consideration during this evaluation.

| Lending Inside and Outside of the Assessment Area |                 |             |           |             |            |                                 |             |               |             |                   |
|---|-----------------|-------------|-----------|-------------|------------|---------------------------------|-------------|---------------|-------------|-------------------|
| Loan Category                                     | Number of Loans |             |           |             | Total<br># | Dollar Amount of Loans \$(000s) |             |               |             | Total<br>\$(000s) |
|   | Inside          |             | Outside   |             |            | Inside                          |             | Outside       |             |                   |
|   | #               | %           | #         | %           |            | \$                              | %           | \$            | %           |                   |
| Home Mortgage                                     |                 |             |           |             |            |                                 |             |               |             |                   |
| 2017  | 55              | 82.1        | 12        | 17.9        | 67         | 28,278                          | 88.7        | 3,612         | 11.3        | 31,890            |
| 2018  | 69              | 86.3        | 11        | 13.8        | 80         | 36,699                          | 90.7        | 3,781         | 9.3         | 40,480            |
| 2019  | 84              | 75.7        | 27        | 24.3        | 111        | 55,000                          | 83.0        | 11,293        | 17.0        | 66,293            |
| <b>Subtotal</b>                                   | <b>208</b>      | <b>80.6</b> | <b>50</b> | <b>19.4</b> | <b>258</b> | <b>119,977</b>                  | <b>86.5</b> | <b>18,686</b> | <b>13.5</b> | <b>138,663</b>    |
| <b>Total</b>                                      | <b>208</b>      | <b>80.6</b> | <b>50</b> | <b>19.4</b> | <b>258</b> | <b>119,977</b>                  | <b>86.5</b> | <b>18,686</b> | <b>13.5</b> | <b>138,663</b>    |

Source: Bank Data  
Due to rounding, totals may not equal 100.0%

## Description of Institution

As of December 31, 2019, the National Grand Bank of Marblehead is a \$340 million intrastate national bank headquartered in Marblehead, Massachusetts. The bank is wholly owned by Grand Bank Corporation, a one-bank holding company. The bank's main branch is located at 91 Pleasant Street in Marblehead, Massachusetts. There is a second limited service branch in Marblehead High School, which opened in 2002. In 1995, NGM established Pleasant Street Investment Corporation, an operating subsidiary that holds the bank's investment securities. There have been no significant changes to the bank's corporate structure since the last CRA performance evaluation. The main branch lobby is open to the public from 7:30AM to 3:00PM, Monday through Wednesday, with extended hours on Thursday and Friday. Saturday hours are from 8:30AM to noon. The drive-up hours at the branch are comparable to the lobby hours, but with extended evening hours during the week. At the limited service branch students taking the "Fundamentals of Banking" course operate the high school's branch under the direct supervision of bank employees. The high school branch is open three days per week for three hours a day, and there is an ATM on-site. No new branches were opened or closed during the evaluation period.

The bank reported total assets of approximately \$340 million, total deposits of \$274 million, and net tier 1 capital of \$39.4 million as of December 31, 2019. The loan portfolio totaled \$265 million, or approximately 78 percent of total assets. The following table provides a summary of the loan mix:

| <b>Loan Portfolio Summary by Loan Product<br/>December 31, 2019</b> |                                    |
|---|------------------------------------|
| <b>Loan Category</b>  | <b>% of Gross Loans and Leases</b> |
| 1-4 Family Residential Mortgage – Closed End                        | 88                                 |
| Commercial Real Estate  | 6                                  |
| Home Equity   | 3                                  |
| Commercial & Industrial   | 1                                  |
| Construction and Development  | 1                                  |
| Consumer Loans  | <1                                 |
| Multifamily   | <1                                 |
| Other   | <1                                 |
| Total   | 100                                |

Source: Federal Deposit Insurance Corporation (FDIC) Call Report, December 31, 2019.

NGBM offers a standard array of traditional loan and deposit products to meet both personal and business customers' banking needs. The bank's website, [www.ngbank.com](http://www.ngbank.com), provides a listing and description of its deposit and loan services. Personal accounts include a variety of options including checking accounts, savings accounts, CDs and IRAs, loans, debit cards, and credit cards. Residential lending is the bank's primary focus consisting of in-house originations of conventional mortgage loans, including fixed and adjustable rate products; however, NGBM also offers commercial loans. The bank offers a variety of different account access alternatives including online banking with bill pay options and the bank operates six ATMs located throughout Marblehead, Massachusetts.

There bank has no financial or legal impediments in meeting the credit needs of the AA. The bank was rated 'Satisfactory' using Small Bank (SB) procedures during the previous CRA performance evaluation dated March 12, 2018.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

NGBM was evaluated using SB CRA evaluation procedures, which includes a LT test that evaluates the bank's record of meeting the credit needs of its AA through its lending activities. The evaluation period for the LT covers the bank's performance from January 1, 2017 to December 31, 2019, which is representative of the bank's activities since the prior CRA performance evaluation. Our conclusions as to the bank's lending performance during the evaluation period are based on a single identified primary product type, specifically 1-4 family residential mortgage loans. As indicated by the December 31, 2019, Federal Deposit Insurance Corporation (FDIC) Call Report, residential mortgages accounted for approximately 88 percent of the bank's overall loan portfolio.

The bank reports data under the requirements of the Home Mortgage Disclosure Act (HMDA). As part of our assessment, we tested the bank's HMDA data for residential real estate loans originated and/or purchased during the evaluation period. We found the data to be reliable. All residential mortgage loans originated during the evaluation period were included in our analysis of the bank's lending. Our primary comparator was the aggregate lending performance of peer institutions within the AA subject to HMDA reporting requirements, however, we also considered the demographic characteristics of the delineated assessment when drawing final conclusions.

The bank's performance during the evaluation period was compared to 2015 American Community Survey (ACS) US Census, 2019 Dun & Bradstreet (D&B), and 2019 Home Mortgage Disclosure Act (HMDA) Aggregate data.

### 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 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. 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.

The CRA requires an institution to define its AA in which it will be evaluated. NGBM has delineated a single AA, comprised of a single full-scope rating area, that meets the requirements of the regulation by consisting of wholly-contiguous political subdivisions, contains the entirety of the customer deposit base, and does not arbitrarily exclude any low- or moderate-income census tracts. This full-scope rating area, NGBM AA, is comprised of a portion of Essex County (#009) within the state of Massachusetts, specifically the entire town of Marblehead. We did not perform an assessment of the bank's geographic distribution of loans amongst LMI geographies as such an assessment would not be considered significant.

## **Ratings**

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

The state rating is based on performance in all bank AAs. Refer to the "Scope" section under each state rating section for details regarding how AAs were weighted in arriving at the respective ratings.

## **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 Massachusetts

**CRA rating for the state of Massachusetts:** Satisfactory

**The lending test is rated:** Satisfactory

The major factors that support this rating include:

- Based on a full-scope review, the bank's performance in the NGBM AA is considered adequate.
- The bank exhibits a reasonable distribution of loans to individuals of different income levels, given the product lines offered by the bank.
- There were no CRA or Fair Lending related complaints received by the bank or the agency during the evaluation period of January 1, 2017 through December 31, 2019.

### Description of Institution's Operations in Massachusetts

As previously discussed, NGBM's full-scope AA is limited solely to Essex County's town of Marblehead, Massachusetts and contains the following four census tracts: 2031, 2032, 2033.01, and 2033.02. This full-scope AA is one contiguous region that is geographically constrained by water on three sides. NGBM operates two branches, including one limited service branch, and six ATMs. The FDIC's Deposit Market Share Report as of June 30, 2019 indicates that competition for deposits within the county is significant as the bank ranks 19<sup>th</sup> among 34 competing institutions with 1.01 percent deposit market share representing \$260 million in deposits. Primary competitors consist mainly of larger institutions that have a national footprint or significant regional presence, such as TD Bank, NA (11.46 percent market share), Salem Five Cents Savings Bank (11.21 percent), Institution for Savings in Newburyport and Its Vicinity (10.68 percent), Bank of America, NA (9.78 percent), and Eastern Bank (8.21 percent), being the top five institutions in the county by deposit market share.

As reported by Moody's Analytics Inc. in September 2019, the economies of both the Cambridge-Newton-Framingham MA MSA and the Boston MA MD were anticipated to outperform the rest of the Northeast region but supply constraints on a tight labor market caused overall employment gains to lag the national average. Despite a robust demand for tech-related jobs in the region, high housing and overall standard of living costs limits the number of junior or lower-paid workers available for hiring as many positions go unfilled. Other characteristics lending support to the overall strength of the area include a highly educated workforce and quality universities located in the region which encourages new business investment.

To gain a better understanding of community credit needs and opportunities, we contacted two local community development corporations whose purpose is to provide affordable housing to low- and moderate-income individuals in neighboring towns surrounding Marblehead, MA. Both contacts indicated that affordable housing is a major need in the area. One contact further noted that Essex County has a strong general economy however, it can lead to gentrification and displacement amongst LMI individuals. Furthermore, both contacts indicated that credit building and financial literacy was also a big need in the community.

## The National Grand Bank of Marblehead Assessment Area

| Table A – Demographic Information of the Assessment Area   |        |               |                              |                  |                 |               |
|--|--------|---------------|------------------------------|------------------|-----------------|---------------|
| Assessment Area: NGBM AA_2019  |        |               |                              |                  |                 |               |
| Demographic Characteristics  | #      | Low<br>% of # | Moderate<br>% of #           | Middle<br>% of # | Upper<br>% of # | NA*<br>% of # |
| Geographies (Census Tracts)  | 4      | 0.0           | 0.0                          | 50.0             | 50.0            | 0.0           |
| Population by Geography  | 20,270 | 0.0           | 0.0                          | 42.1             | 57.9            | 0.0           |
| Housing Units by Geography   | 8,773  | 0.0           | 0.0                          | 48.4             | 51.6            | 0.0           |
| Owner-Occupied Units by Geography  | 6,544  | 0.0           | 0.0                          | 41.3             | 58.7            | 0.0           |
| Occupied Rental Units by Geography   | 1,593  | 0.0           | 0.0                          | 73.8             | 26.2            | 0.0           |
| Vacant Units by Geography  | 636    | 0.0           | 0.0                          | 58.3             | 41.7            | 0.0           |
| Businesses by Geography  | 2,270  | 0.0           | 0.0                          | 51.2             | 48.8            | 0.0           |
| Farms by Geography   | 45     | 0.0           | 0.0                          | 51.1             | 48.9            | 0.0           |
| Family Distribution by Income Level  | 5,662  | 13.7          | 12.9                         | 18.0             | 55.4            | 0.0           |
| Household Distribution by Income Level   | 8,137  | 18.1          | 13.0                         | 15.4             | 53.5            | 0.0           |
| Median Family Income MSA - 15764<br>Cambridge-Newton-Framingham, MA  |        | \$100,380     | Median Housing Value         |                  |                 | \$563,711     |
|  |        |               | Median Gross Rent            |                  |                 | \$1,257       |
|  |        |               | Families Below Poverty Level |                  |                 | 3.0%          |
| <i>Source: 2015 ACS and 2019 D&amp;B Data</i><br><i>Due to rounding, totals may not equal 100.0%</i><br><i>(*) The NA category consists of geographies that have not been assigned an income classification.</i> |        |               |                              |                  |                 |               |

### Scope of Evaluation in Massachusetts

The OCC conducted a full-scope review of the NGBM AA, which consists of four census tracts and comprises the institution's entire LT rating area.

### LENDING TEST

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

### Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the NGBM AA is considered adequate.

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

As previously discussed, an assessment of the bank's geographic distribution of loans was not performed as the bank does not have any low- or moderate-income census tracts within the AA and such an assessment would not be considered significant.

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

Refer to Table O in the state of MA 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.

Due to the lack of low- or moderate-income geographies within the NGBM AA, no assessment of the bank's geographic distribution of home mortgage loans was performed as such an assessment would not be considered significant.

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

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

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

Refer to Table P in the state of MA 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 borrower distribution of home mortgage loans is adequate.

The bank's percentage of home mortgage loans to low-income borrowers was well below both the percentage of low-income families within the rating area and the aggregate industry distribution of home mortgage loans to those families. The bank's percentage of home mortgage loans to moderate-income borrowers was below both the percentage of moderate-income families within the rating area and the aggregate industry distribution of home mortgage loans to those families.

As part of performance context, we considered the fact that NGBM operates within a highly competitive market for lending as illustrated by 2019 Peer Mortgage Data for loans made to LMI borrowers within the NGBM AA. Specifically, within this AA during 2019 the bank operated amongst 58 other competing lenders for home mortgage lending to both low- and moderate-income borrowers and ranked ninth via four instances of lending representing approximately 2.63 percent market share. During this same time period, the top ten of 58 lenders in this space accounted for approximately 51.3 percent of the market with all remaining lenders outside the top ten individually maintaining less than two percent market share.

Highlighted in the affordability table below, additional consideration was given to the bank's borrower distribution of home loan mortgage loans within the full-scope AA, as cost of home ownership would not be affordable for LMI borrowers earning no more than 50 and 80 percent of the rating area's median family income. Median family income and median housing values detailed below were derived from data contained within the above Table A included as part of the Description of Institution's Operations in Massachusetts section.

| <b>Table A<br/>2019 data</b> | <b>Median<br/>Family<br/>Income*</b> | <b>Median<br/>Housing<br/>Value</b> | <b>Low-<br/>Income<br/>Annual<br/>Income</b> | <b>Low-<br/>Income<br/>Monthly<br/>Income</b> | <b>Mod-<br/>Income<br/>Annual<br/>Income</b> | <b>Mod-<br/>Income<br/>Monthly<br/>Income</b> | <b>Monthly<br/>Mortgage<br/>Payment**</b> | <b>Low-<br/>Income<br/>Payment***</b> | <b>Moderate-<br/>Income<br/>Payment***</b> |
|------------------------------|--------------------------------------|-------------------------------------|--|---|--|---|---|---------------------------------------|--|
| NGBM<br>AA                   | \$100,380                            | \$563,711                           | \$50,190.00                                  | \$4,182.50                                    | \$80,304.00                                  | \$6,692.00                                    | \$3,026.12                                | \$1,254.75                            | \$2,007.60                                 |

*\*Median Family Income MSA - 15764 Cambridge-Newton-Framingham, MA*

*\*\*Assuming a 30-year mortgage with a five percent interest rate, and not accounting for down payment, homeowner's insurance, real estate taxes, or any additional monthly expenses*

*\*\*\*Payments calculated at one-third of monthly income*

## **Responses to Complaints**

There were no CRA or Fair Lending related complaints received by the bank or the agency during the evaluation period of January 1, 2017 through December 31, 2019.

## Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed (if applicable), and loan products considered. The table also reflects the MSAs that received a 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>                            | Small Bank Lending Test - 01/01/2017 through 12/31/2019 |   |
| <b>Bank Products Reviewed:</b>                          | HMDA-reportable residential mortgage loans              |   |
| <b>Affiliate(s)</b>                                     | <b>Affiliate Relationship</b>                           | <b>Products Reviewed</b>  |
| None reviewed   |   |   |
| <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>  |
| <b>State of Massachusetts</b>                           |   |   |
| NGBM AA_2019  | Full-scope  | <ul style="list-style-type: none"> <li>• Boston-Worcester-Providence, MA-RI-NH-CT CSA (#148)               <ul style="list-style-type: none"> <li>○ Boston-Cambridge-Newton, MA-NH MSA (#14460)                   <ul style="list-style-type: none"> <li>▪ Cambridge-Newton-Framingham, MA MSA (#15764)                       <ul style="list-style-type: none"> <li>• portions of Essex County (#009)                           <ul style="list-style-type: none"> <li>○ Marblehead</li> </ul> </li> </ul> </li> </ul> </li> </ul> </li> </ul> |

## Appendix B: Summary of State Ratings

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| <b>RATINGS – The National Grand Bank of Marblehead</b> |                     |
|--|---------------------|
| <b>Overall Bank:</b>                                   | Lending Test Rating |
| <b>NGBM</b>  | Satisfactory        |
| <b>MMSA or State:</b>                                  |                     |
| <b>State of Massachusetts</b>                          | Satisfactory        |

## 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>2017-19</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      |  |  |
| NGBM AA_2019   | 208                       | 119,977        | 100.0        | 1,145          | 0.0                               | 0.0          | 0.0        | 0.0                               | 0.0          | 0.0        | 41.3                              | 55.8         | 39.5        | 58.7                              | 44.2         | 60.5        | 0.0                               | 0.0          | 0.0            |  |  |
| <b>Total</b>   | <b>208</b>                | <b>119,977</b> | <b>100.0</b> | <b>1,145</b>   | <b>0.0</b>                        | <b>0.0</b>   | <b>0.0</b> | <b>0.0</b>                        | <b>0.0</b>   | <b>0.0</b> | <b>41.3</b>                       | <b>55.8</b>  | <b>39.5</b> | <b>58.7</b>                       | <b>44.2</b>  | <b>60.5</b> | <b>0.0</b>                        | <b>0.0</b>   | <b>0.0</b>     |  |  |

*Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2019 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>2017-19</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      |  |  |
| NGBM AA_2019   | 208                       | 119,977        | 100.0        | 1,145          | 13.7                 | 0.5          | 2.7        | 12.9                      | 8.2          | 10.6        | 18.0                    | 11.1         | 17.9        | 55.4                   | 77.4         | 59.2        | 0.0                            | 2.9          | 9.6            |  |  |
| <b>Total</b>   | <b>208</b>                | <b>119,977</b> | <b>100.0</b> | <b>1,145</b>   | <b>13.7</b>          | <b>0.5</b>   | <b>2.7</b> | <b>12.9</b>               | <b>8.2</b>   | <b>10.6</b> | <b>18.0</b>             | <b>11.1</b>  | <b>17.9</b> | <b>55.4</b>            | <b>77.4</b>  | <b>59.2</b> | <b>0.0</b>                     | <b>2.9</b>   | <b>9.6</b>     |  |  |

*Source: 2015 ACS Census ; 01/01/2017 - 12/31/2019 Bank Data, 2019 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%*