



PUBLIC DISCLOSURE

September 14, 2020

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

Hancock County Savings Bank
Charter Number 702808

351 Carolina Avenue
Chester, WV 26034

Office of the Comptroller of the Currency
Corporate One Office Park Bldg. 2
4075 Monroeville Boulevard, Suite 430
Monroeville, PA 15146

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.....	2
Description of Institution.....	3
Scope of the Evaluation.....	4
Discriminatory or Other Illegal Credit Practices Review.....	6
State Rating.....	7
State of West Virginia.....	7
Community Development Test	11
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:

- The bank's loan-to-deposit (LTD) ratio was more than reasonable.
- A majority of the bank's loans were inside the assessment area.
- The bank exhibited an excellent geographic distribution of loans during the evaluation period.
- The bank exhibited an excellent distribution of loans to individuals of different income levels during the evaluation period.
- The bank exhibited excellent responsiveness to community development needs through community development loans, qualified investments, and community development services.

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 more than reasonable.

The bank's quarterly average LTD ratio over the 12 quarters since the previous CRA evaluation (March 31, 2017 through December 31, 2019) is 101.0 percent. The ratio ranged from a low of 95.53 percent at June 30, 2017 to a high of 106.1 percent at December 31, 2019. The bank's average LTD ratio of 101.0 percent exceeds the average LTD ratio of 68.9 percent of five financial institutions of similar size that operate within the bank's AA.

Lending in Assessment Area

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

The bank originated and purchased 53.8 percent of its total loans inside the bank's AAs during the evaluation period. This analysis is performed at the bank, rather than the AA, level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria. Lending in the AA had a neutral impact on our analysis of the geographic distribution of lending by income. The table below illustrates the number and dollar volume of loans the bank originated inside and outside of its AA.

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										
2017	290	53.5	252	46.5	542	21,078	48.7	22,169	51.3	43,247
2018	260	56.3	202	43.7	462	21,342	50.3	21,055	49.7	42,397
2019	232	51.7	217	48.3	449	21,248	45.9	25,033	54.1	46,281
Subtotal	782	53.8	671	46.2	1,453	63,668	48.3	68,257	51.7	131,925
Total	782	53.8	671	46.2	1,453	63,668	48.3	68,257	51.7	131,925

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

Description of Institution

Established in 1899, Hancock County Savings Bank, F.S.B. (“HCSB” or “the Bank”) is a federally chartered mutual savings bank located in Chester, Hancock County, West Virginia with total assets of \$398 million as of June 30, 2020. The Bank is a single state institution and operates as a community-oriented financial institution offering residential mortgages, multi-family and commercial mortgages, consumer loans, and commercial business loans, as well as a range of deposit products for individuals and businesses. There are no affiliated or related organizations within the HCSB corporate structure.

Within its AA, HCSB operates three (3) full-service offices within Hancock and Brooke Counties. Hancock and Brooke Counties are the two (2) most northern counties in the West Virginia Northern Panhandle. The Bank closed the drive thru only location in Weirton during 2018. Each full-service office offers traditional deposit and loan products and services. Drive-up window and automated teller machine (ATM) services are available at all office locations. The Bank also offers an informational internet website, www.hcsbank.com, and on-line banking services.

HCSB continues to operate primarily as a mortgage portfolio lender. The Bank’s mortgage products include fixed-rate and adjustable-rate loans for the purchase, refinance, and construction of one- to four-family and multi-family dwellings. Consumer loan offerings consist of home equity loans and lines of credit, and personal secured and unsecured loans. Commercial loans secured by real estate and other collateral are offered to businesses.

As of the December 31, 2019 Call Report, Hancock’s assets totaled \$373.2 million, deposits totaled \$275.2 million and tier 1 capital totaled \$70.3 million. Net loans and leases totaled \$303.3 million, representing 81 percent of total assets. Assets included investments of \$59.2 million, real estate loans of \$294.4 million, commercial loans of 588 thousand, and loans to individuals of \$11.1 million.

According to the 2019 FDIC Summary of Deposits Market Share Report, HCSB was ranked 1 out of 8 institutions in their AA with 38.4 percent of total deposits. WesBanco Bank, Inc. is ranked first with four (4) offices and 29.8 percent of the deposits. Other financial institutions include United Bank with two (2) offices and 10.2 percent of the deposits, Citizens Bank with one office and 7 percent of deposits, The Huntington National Bank with one office and 6.7 percent of deposits, and First National Bank of Pennsylvania with one offices and 4.8 percent of

Deposits.

In 2019, there were 144 lenders that originated HMDA loans in the AA, according to the HMDA Peer Mortgage Data Report. HCSB was ranked first for home purchase, home refinancing, and home improvement loans. The Bank originated a total of 232 loans with a market share of 13.8 percent. Competition in the AA is reasonable with WesBanco, Quicken Loans and The Huntington National Bank, as the second through fourth place lenders with market shares of 8.7 percent, 5.7 percent, and 4 percent respectively. Other competitors consisted of larger regional banks, small banks, credit unions, and mortgage brokers with nationwide sources of funding.

There are no legal or financial factors impeding the Bank's ability to help meet the credit needs in its AA. At the prior CRA examination dated September 7, 2017 HCSB was rated "Outstanding."

Scope of the Evaluation

Evaluation Period/Products Evaluated

This performance evaluation is an assessment of HCSB's ability to meet the credit needs of its assessment areas. We evaluated HCSB using the Intermediate Small Bank evaluation procedures, which include a Lending Test and Community Development Test. The Lending Test evaluates the bank's record of meeting the credit needs of its AAs through its lending activities. The Community Development Test evaluates the bank's responsiveness to CD needs of its AAs through qualified lending, investments and donations, and services.

To evaluate performance under the Lending Test, we reviewed home mortgage loans originated between January 1, 2017 and December 31, 2019. The bank's primary loan product over the evaluation period was home mortgage loans. The primary review period was 2017, 2018, and 2019. The bank originated a minimal number of small business, small farm, and consumer loans during the evaluation period. As a result, an analysis of loans for these product types is not meaningful and has been omitted from our review.

In assessing performance with respect to the Community Development Test, we evaluated the bank's loans, services, and investments that satisfied the definition of community development made between January 1, 2017 and December 31, 2019. The primary review period was 2017, 2018, and 2019. The products that will be considered are CD loans, investments and donations, and services.

With an evaluation period end date of December 31, 2019, qualifying activities performed in response to the significant impact the coronavirus pandemic has had on economies across the United States are not addressed in this evaluation. Bank qualifying activities will be appropriately considered in the subsequent evaluation.

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

The bank’s overall rating is based entirely on the state rating of West Virginia, more specifically, the Weirton-Steubenville, WV-OH MSA. We placed equal weight on the bank’s performances in each year of the evaluation to reach our conclusions.

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 West Virginia

CRA rating for the State of West Virginia: Outstanding

The Lending Test is rated: Outstanding

The Community Development Test is rated: Outstanding

The major factors that support this rating include:

- The bank exhibited an excellent geographic distribution of loans during the evaluation period.
- The bank exhibited an excellent distribution of loans to individuals of different income levels during the evaluation period.
- The bank exhibited excellent responsiveness to community development needs through community development loans, qualified investments, and community development services.
- The bank's level of CD donations and investments was excellent.

Description of Institution's Operations in West Virginia

Hancock only maintains branches within the state of West Virginia, 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.

Weirton-Steubenville, WV-OH MSA & Pittsburgh, PA MSA**Table A - Demographic Information of the Assessment Area**

Assessment Area: HCSB 2019 AA

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	16	0.0	6.3	81.3	12.5	0.0
Population by Geography	59,181	0.0	5.1	81.2	13.8	0.0
Housing Units by Geography	27,582	0.0	4.8	82.3	12.9	0.0
Owner-Occupied Units by Geography	18,687	0.0	4.4	79.9	15.7	0.0
Occupied Rental Units by Geography	6,201	0.0	5.1	87.4	7.5	0.0
Vacant Units by Geography	2,694	0.0	7.1	86.7	6.2	0.0
Businesses by Geography	2,853	0.0	3.3	88.0	8.6	0.0
Farms by Geography	93	0.0	4.3	88.2	7.5	0.0
Family Distribution by Income Level	16,331	17.7	19.1	23.5	39.7	0.0
Household Distribution by Income Level	24,888	22.3	16.2	18.9	42.6	0.0
Median Family Income MSA - 38300 Pittsburgh, PA MSA		\$69,624	Median Housing Value			\$97,807
Median Family Income MSA - 48260 Weirton- Steubenville, WV-OH MSA		\$52,770	Median Gross Rent			\$634
			Families Below Poverty Level			9.3%

Source: 2015 ACS and 2019 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.

The Bank's AA includes all of the counties of Hancock County WV and the northern portion of Brooke County WV, which are located in the Weirton-Steubenville, WV-OH MSA (48260). The AA also includes portions of Beaver and Washington County which are located in Western Pennsylvania, within the Pittsburgh MSA (38300). The Bank has not made any changes to the AA since 2000.

The AA contains 16 geographies. There are no low-income census tracts, two (2) moderate-income census tracts, thirteen (13) middle-income census tracts, and one (1) upper-income census tract within the AA. HCSB operates three (3) full-service offices within Hancock and Brooke Counties. Hancock and Brooke Counties are the two (2) most northern counties in the West Virginia Northern Panhandle. Each full-service office offers traditional deposit and loan products and services. Drive-up window and automated teller machine (ATM) services are available at all office locations. According to the 2019 FDIC Summary of Deposits Market Share Report, HCSB was ranked 1 out of 8 institutions in their AA with 38.4 percent of total deposits. The top five institutions in the AA by deposit share are HCSB, WesBanco Bank Inc United Bank, Citizens Bank, and The Huntington National Bank.

According to the 2015 U.S. Census, total population was 59,181, and the distribution of families by income level was 17.7 percent low-income, 19.1 percent moderate-income, 23.5 percent middle-income, and 32.6 percent upper-income.

Employment and Economic Factors

We reviewed economic data from the Bureau of Labor Statistics and West Virginia Department of Commerce related to unemployment rates and employers for Brooke and Hancock counties. The

unemployment rates for these counties were 5.2 and 5.2 percent as of December 31, 2019, respectively. According to Moody's Analytics, the Weirton-Steubenville WV-OH MSA is one of the nation's weakest performing economies with persistent population losses and a declining labor force participation. Longer-term, weak demographics and a lack of secondary drivers will ensure the area as an underperformer. The five major employers in the MSA are the Trinity Medical Center, Mountaineer Park, Weirton Medical Center ArcelorMittal, and Bechtel Construction Co. The poverty rate among families in the AA was 9.3 percent.

Housing

There are limited opportunities for residential mortgage lending in this AA since there are no low-income geographies and only two moderate-income geographies. Additionally, there is a low number of quality housing units, high rate of owner occupancy, high unemployment, and a high poverty rate. Home ownership in moderate-income geographies is difficult due to high median housing prices compared to median family incomes, and a poverty rate of 9.3 percent in the AA. According to the 2015 US Census, the median housing value estimate was \$97,807. Median home prices are relatively high in the AA when coupled with a median family income of \$52,770). Low-income AA families, by definition, are families with annual income below \$26,385. Moderate-income AA families, by definition, are families with annual income between \$26,385 and \$42,216. These income levels could make it difficult to afford housing at the median housing value in this AA for LMI borrowers.

Additional factors include that the housing mix indicated by the 2015 U.S. Census were owner-occupied housing at 67.7 percent, rental occupied units were 22.4 percent, and vacant units were 9.7 percent. Also, the median age of housing stock is higher in the moderate-income geographies than middle- and upper-income geographies, contributing to the lower median housing values in LMI geographies. Older housing typically has lower purchase prices, but often cost more to maintain.

The above demographic factors highlight the AA's aging population which corresponds to a decreased demand for homes loans. Consequently, the above demographic and economic factors, along with limited quality available housing within the Bank's AA limits both the opportunity for and demand of residential mortgage loans.

Community Contact

We reached out to a local community contact for an assessment of the local market area and the community development needs that are most needed for low- and moderate-income and at-risk communities. We contacted Change, Inc., a local community action and health agency whose mission is to provide a variety of services focused on health and housing to LMI individuals and families. The contact noted that the region continues to be dominated by the oil and gas industry. The fracking industry is benefitting the community economically, but hurting the housing market overall due to the influx of transient workers. This has resulted in a decline in the availability of affordable housing and affordable rental units, which has caused rent rates to increase significantly. The contact specifically stated that affordable and quality housing and economic development are the primary needs of the community. When asking about the performance of local financial institutions, the contact specifically mentioned that Hancock County Savings Bank has a positive image in the community and takes an active role in community education and working with local nonprofits.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN WEST VIRGINIA

LENDING TEST

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

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

Distribution of Loans by Income Level of the Geography

The bank exhibits excellent geographic distribution of loans in the state considering the location of moderate-income census tracts and market competition within the AA. There are no low-income geographies within the AA, therefore it would not be meaningful to perform an analysis. 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 West Virginia 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 exhibited excellent geographic distribution of home mortgage loans in the AA.

In the analysis for 2017-2019, Table O (Appendix D-2) reflects the percentage of bank loans in the moderate-income tract(s) exceeds both the percentage of owner-occupied housing units and the peer aggregate level of lending. As noted, there are no low-income geographies within the AA.

Distribution of Loans by Income Level of the Borrower

The bank exhibits an excellent distribution of loans to individuals of different income levels, given the demographics of the bank's AA, local economic conditions, and the product lines offered by the bank.

Home Mortgage Loans

Refer to Table P in the state of West Virginia 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 exhibited an excellent distribution of home mortgage loans to individuals of different income levels in the AA.

In the analysis for 2017-2019, Table P (Appendix D-2) reflects that the percentage of bank loans made to low-income borrowers is below the percentage of low-income families and near to the percentage of peer aggregate level of lending. The percentage of bank loans made to moderate-income borrowers exceeds both the percentage of moderate-income families and the percentage of peer aggregate level of lending.

We considered the following, specifically, the affordability of owning a home in the AA. The median average cost of housing in the AA is \$97,807. Low-income AA families, by definition, are families with

annual income below \$26,385. This income level may prevent low-income families from purchasing a home when considering the median average cost of housing in the AA. Resultantly, families may choose to rent instead, as evidenced by a 22.4 percent rental occupancy rate. Approximately 9 percent of the population is below the poverty level. When considering this information, the percentage of bank loans to low-income borrowers, exclusive of those below the poverty level, exceeds the percentage of low-income families.

We further considered the Bank’s 80/20 loan program which helps LMI borrowers purchase a home. The program is limited to LMI borrowers with income less than 80 percent of median household income and is not limited to first time homebuyers. The program provides 100 percent financing, reduced closing costs, contains no private mortgage insurance, waives appraisal, processing, and credit report fees, and has no maximum or minimum loan amount limits. During the evaluation period, the Bank originated loans to 43 customers for approximately \$5.8 million. In addition to the 80/20 loan program, the Bank originated 7 loans for approximately \$281 thousand to first time homebuyers during the evaluation period.

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 West Virginia is rated Outstanding,.

Based on a full-scope review, the bank exhibits excellent 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.

Number and Amount of Community Development Loans

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. The Bank originated ten loans totaling approximately \$401 thousand in their AA. The CD loans made by the Bank provided financing for organizations that revitalize low- and moderate-income individuals.

<i>Community Development Loans</i>				
Assessment Area	Total			
	#	% of Total #	\$(000’s)	% of Total \$
Weirton-Steubenville, WV-OH	10	100%	\$401	100%

Highlights of a few of the Bank’s CD loans are as follows:

- A \$142 thousand loan made to the Newell Volunteer Fire Department to fund the purchase improvement of equipment and facilities.
- A \$70.385 thousand loan made to the Hancock County Sheltered Workshop which is an organization dedicated to helping LMI individuals in Hancock County, WV.
- A \$68.71 thousand loan made to provide one new maintenance truck for Yellow Township, WV. The township is located in an LMI area and the new vehicles help to maintain the infrastructure and provide community services to LMI individuals.

Number and Amount of Qualified Investments

HCSB has an excellent responsiveness when identifying and addressing the needs and opportunities for community development investments/donations, in and outside of the Bank’s AA. There were limited investments available inside the Bank’s AA, and available to all banks including HCSB, during the evaluation period. However, HCSB did choose to fund 38 Community Development investments within either within its MSA (48260), on a statewide (WV) level and through investments in national minority-owned and community development financial institutions (CDFI), totaling \$10.3 million during this evaluation period. Additionally, the Bank made 89 donations for \$104.9 thousand.

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000’s)	#	\$(000’s)	#	% of Total #	\$(000’s)	% of Total \$	#	\$(000’s)
Nationwide	7	\$2,393	31	\$7,896	38	100%	\$10,289	100%		

* 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.

The Qualified Investment Table, shown above, set forth the information and data used to evaluate the bank’s level of qualified CD investments. These tables include all CD investment, including prior period investments that remain outstanding as of the examination date.

Highlights of a few of the Bank's CD investments/donations are as follows:

- The bank invested \$5.713 million into 23 CDFIs. The banks are primarily nationwide and are not based within the bank’s AA, MSA or state of West Virginia.
- The bank invested \$445 thousand in the Roane County Board of Education. Roane County, WV is a distressed middle-income nonmetropolitan area eligible for revitalization and stabilization.
- The bank invested \$400 thousand into the West Virginia School Building Authority to fund the purchase of equipment and improve facilities in Cabell and Harrison County, WV. The projects in Cabell County are located in moderate census tracts and the county as a whole has a 53.5% free and reduced-price school meal rate.

Extent to Which the Bank Provides Community Development Services

HCSB displayed excellent responsiveness when identifying and addressing the CD service needs of the AA. The Bank’s services are accessible to geographies and individuals of different income levels in the

AA through its branch offices, ATM network, and other delivery systems. HCSB operates three full-service branches and one drive-through office, all of which are located in middle-income CTs within Brooke and Hancock counties.

HCSB participated in 77 services totaling over one thousand five hundred hours in its AA, since 2017. Several members of HCSB's senior management team lent their experience as professional Bankers to various organizations that promote community service, economic development, and revitalize the local communities based within the Bank's AA. This includes serving as board or finance committee members for organizations that support the financial needs of low- to moderate-income (LMI) families in the area. In addition, many bank employees participated in services by presenting financial literacy courses at events geared toward LMI individuals, and dedicating time as bell ringers for the annual kettle collections.

A few of the CD services in which HCSB participated are described below.

- HCSB's officers provided seminars to LMI senior citizens on how to detect and remain safe from identity theft and other forms of fraud. The bank provided eight seminars for a total of 12 hours of service.
- HCSB's employees go to local area schools that have a majority of LMI students to teach them about various financial topics including check writing, deposits and loans, and budgeting money.

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:	January 1, 2017 – December 31, 2019	
Bank Products Reviewed:	Home mortgage loans Community development loans, qualified investments, community development services	
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
State(s)		
West Virginia		
Weirton-Steubenville, WV-OH MSA AA	Full-Scope	

Appendix B: Summary of MMSA and State Ratings

RATINGS Hancock County Savings Bank			
Overall Bank:	Lending Test Rating*	CD Test Rating	Overall Bank/State/Multistate Rating
Hancock County Savings Bank	Outstanding	Outstanding	Outstanding
MMSA or State:			
West Virginia	Outstanding	Outstanding	Outstanding

(*) 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 2017-19

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
HCSB 2019 AA	782	63,668	100.0	1,069	0.0	0.0	0.0	4.4	6.8	2.0	79.9	77.0	82.6	15.7	16.2	15.4	0.0	0.0	0.0
Total	782	63,668	100.0	1,069	0.0	0.0	0.0	4.4	6.8	2.0	79.9	77.0	82.6	15.7	16.2	15.4	0.0	0.0	0.0

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%

HANCOCK COUNTY SAVINGS BANK F (10000702808) excluded from Aggregate

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower 2017-19

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
HCSB 2019 AA	782	63,668	158.9	1,069	17.7	8.7	9.5	19.1	21.2	18.5	23.5	24.6	27.7	39.7	44.2	31.2	0.0	1.3	13.0
Total	782	63,668	158.9	1,069	17.7	8.7	9.5	19.1	21.2	18.5	23.5	24.6	27.7	39.7	44.2	31.2	0.0	1.3	13.0

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%

HANCOCK COUNTY SAVINGS BANK F (10000702808) excluded from Aggregate