



**PUBLIC DISCLOSURE**

June 7, 2021

**COMMUNITY REINVESTMENT ACT  
PERFORMANCE EVALUATION**

The First National Bank and Trust Company of Newtown  
Charter Number #324

40 South State Street  
Newtown, PA 18940

Office of the Comptroller of the Currency

1150 Northbrook Drive Suite 303  
Trevese, PA 19053

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

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## **Overall CRA Rating**

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

**The lending test is rated: Satisfactory**

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

The major factors supporting this rating include:

- The bank's quarterly average net loan-to-deposit ratio is reasonable and meets the standard of satisfactory performance.
- A substantial majority of the bank's loans was originated in the bank's assessment area.
- The bank's distribution of loans represents a reasonable penetration among individuals of different income levels and business sizes.
- The bank's distribution of loans represents a reasonable dispersion throughout census tracts of different income levels.
- FNB's responsiveness to community development needs and opportunities in its assessment area is reasonable.

### **Loan-to-Deposit Ratio**

FNB's quarterly average net loan-to-deposit ratio is reasonable given the bank's size, financial condition, and the competition within the assessment area (AA). The bank's quarterly average net loan-to-deposit ratio over the 12 quarters captured in our evaluation period is 44.03 percent. During this period, the ratio ranged from a quarterly low of 30.98 percent to a quarterly high of 46.79 percent. At the last CRA evaluation, the average loan-to-deposit ratio was 43.40 percent. FNB's quarterly average net loan-to-deposit ratio did not perform as well as other financial institutions of similar size located in Bucks County. The quarterly average net loan-to-deposit ratio for Bucks County financial institutions of with asset sizes ranging from \$745 million to \$1.461 billion was 89.67 percent over the same 12 quarters. The ratios ranged from a quarterly low of 73.79 percent to a quarterly high of 106.44 percent during that period. There are many lenders in the AA, resulting in strong competition for loans. This led to FNB's compressed loan-to-deposit ratio.

### **Lending in Assessment Area**

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

The bank originated and purchased 88.9 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. Please refer to Table D below

<b>Table D - Lending Inside and Outside of the Assessment Area</b>										
<b>Loan Category</b>	<b>Number of Loans</b>				<b>Total #</b>	<b>Dollar Amount of Loans \$(000s)</b>				<b>Total \$(000s)</b>
	<b>Inside</b>		<b>Outside</b>			<b>Inside</b>		<b>Outside</b>		
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>		<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>	
Home Mortgage										
2018	174	87.9	24	12.1	198	33,417	85.8	5,543	14.2	38,960
2019	132	88.0	18	12.0	150	20,854	87.0	3,110	13.0	23,964
2020	101	82.1	22	17.9	123	22,730	77.5	6,613	22.5	29,342
<b>Subtotal</b>	<b>407</b>	<b>86.4</b>	<b>64</b>	<b>13.6</b>	<b>471</b>	<b>77,001</b>	<b>83.5</b>	<b>15,266</b>	<b>16.5</b>	<b>92,267</b>
Small Business										
2018	100	87.7	14	12.3	114	21,980	91.1	2,147	8.9	24,127
2019	117	92.1	10	7.9	127	22,532	92.1	1,936	7.9	24,468
2020	578	90.3	62	9.7	640	48,435	91.1	4,749	8.9	53,184
<b>Subtotal</b>	<b>795</b>	<b>90.2</b>	<b>86</b>	<b>9.8</b>	<b>881</b>	<b>92,947</b>	<b>91.3</b>	<b>8,832</b>	<b>8.7</b>	<b>101,779</b>
Small Farm										
2019	1	100.0	0	0.0	1	500	100.0	0	0.0	500
<b>Subtotal</b>	<b>1</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>1</b>	<b>500</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>500</b>
<b>Total</b>	<b>1,203</b>	<b>88.9</b>	<b>150</b>	<b>11.1</b>	<b>1,353</b>	<b>170,448</b>	<b>87.6</b>	<b>24,098</b>	<b>12.4</b>	<b>194,546</b>
<i>Source: Bank Data Due to rounding, totals may not equal 100.0%</i>										

## Description of Institution

The First National Bank of Newtown (FNB) is an independent, single state community bank established in 1864. FNB's main office and headquarters are located in Newtown, Pennsylvania. Newtown is located within Bucks County, centered in southeast Pennsylvania and 30 miles north of Philadelphia. As of December 31, 2020, FNB had total assets of \$1.15 billion and tier one capital of \$101.94 million. FNB is owned by FNB Bancorp Inc., which is also located in Newtown, Pennsylvania. In addition, FNB Bancorp Inc. also owns FNB Realty, an entity that owns the real estate for two bank branches. FNB Realty is not considered in this evaluation as its operations do not affect FNB's capacity or efforts to meet community needs.

As of December 31, 2020, FNB operates 16 branches located throughout Bucks County, Pennsylvania. 12 of the branches are full services branches with drive-thru and ATM services. Three branches are limited service ATMs and located within retirement villages. One ATM is located within a local Bucks County school. The FNB operations center is located in Newtown, Pennsylvania. In March of 2018 the bank closed the Attleboro Office, which was located in a retirement facility. FNB offers an internet site for banking information, [www.fbn.com](http://www.fbn.com), as well as online and mobile banking services.

FNB is a full-service community bank offering a standard range of retail banking, commercial banking, and trust services. Retail services include checking accounts, savings programs, consumer loan programs, residential mortgages, and credit cards. Residential mortgages are offered with fixed rates and adjustable rates. FNB also offers a "first-time homebuyer" loan program for individuals and families on a limited income. Construction loans are offered for complete home construction, home improvements, and home repairs.

Commercial services include business checking accounts, commercial-grade savings accounts, commercial mortgages, lines or letters of credit, credit cards, and loans for equipment or capital improvements. FNB also offers a "corporate cash management" service to businesses to assist small and medium-sized businesses in managing payroll, making tax payments, and balancing any accounts receivable or payable. In addition, FNB offers trust, wealth management, and estate management services as well as investment and financial planning advice.

As of December 31, 2020, FNB held net loans and leases of \$401.26 million, representing 34.99 percent of total assets. The loan portfolio, broken down by loan type, is displayed below:

<b>FNB Loan Portfolio Breakdown December 31, 2020</b>	
<b>Loan Category</b>	<b>% of Outstanding Loans</b>
Residential Real Estate	38.33
Non-Farm/Non-Residential Real Estate	36.97
Municipal Loans	11.72
Commercial and Industrial	6.61
Construction Loans	4.76
Multifamily Loans	0.91
Consumer Loans	0.56
Non-Depository and Other Loans	0.15
Agricultural and Farmland Loans	0.00

*Source: December 31, 2020 Uniform Bank Performance Report*

There are no financial or legal impediments that impact FNB's ability to meet the credit needs to its communities.

FNB's last Public Evaluation (PE), dated April 2, 2018, was rated Satisfactory.

## **Scope of the Evaluation**

### **Evaluation Period/Products Evaluated**

This performance evaluation is an assessment of FNB's ability to meet the credit needs of its assessment areas. We evaluated FNB 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 and loans to small businesses originated between January 1, 2018 and December 31, 2020. The bank's primary loan product over the evaluation period was loans to small businesses. Additionally, the bank originated one loan to small farms. As a result, an analysis of this product type 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, 2018 and December 31, 2020. The products that will be considered are CD loans, investments and donations, and services.

### **Data Integrity**

FNB's primary loan products are home mortgages and small loans to business. The bank reports data under the requirements of the Home Mortgage Disclosure Act (HMDA). Prior to this evaluation, reported HMDA data was tested and found to be reliable and this data was used to evaluate the bank's home mortgage performance. The bank is also a small business loan reporter. The small business loan data was tested and found to be reliable. This data was used to evaluate the bank's small business lending performance.

### **Selection of Areas for Full-Scope Review**

FNB has one assessment area located in southeastern Pennsylvania. The AA is part of the Montgomery County – Bucks County – Chester County MD/MSA #33874. The AA is comprised of 119 contiguous census tracts located in central and lower Bucks County. We performed a full-scope review of the AA. Refer to the table in Appendix A for more information.

### **Ratings**

The bank's overall rating is based on the review of the AA. The AA contains a small percentage of low-income geographies and individuals and a moderate percentage of moderate-income geographies and individuals. Given the demographic makeup of the AA, more weight is placed on performance in moderate-income geographies. Refer to Table A for demographic information on the AA.

## **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 (or any affiliate whose loans have been considered as part of the institution's lending performance) has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

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

## **State Rating**

### **State of Pennsylvania**

**CRA rating for the State of Pennsylvania<sup>1</sup>: Satisfactory**

**The Lending Test is rated: Satisfactory**

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

The major factors that support this rating include:

- The bank's quarterly average net loan-to-deposit ratio is reasonable and meets the standard of satisfactory performance.
- A substantial majority of the bank's loans was originated in the bank's assessment area.
- The bank's distribution of loans represents a reasonable penetration among individuals of different income levels and business sizes.
- The bank's distribution of loans represents a reasonable dispersion throughout census tracts of different income levels.
- FNB's responsiveness to community development needs and opportunities in its assessment area is adequate.

### **Description of Institution's Operations in Pennsylvania**

FNB has one assessment area located in southeastern Pennsylvania. The AA is part of the Montgomery County – Bucks County – Chester County MD/MSA #33874. The AA is comprised of 119 contiguous census tracts located in central and lower Bucks County. FNB 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. The Bank has not made any changes to the AA since its last CRA evaluation. Please refer to the overall description of institution's operations for additional information.

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<sup>1</sup> This rating reflects performance within the state. The statewide evaluations do not reflect performance in the parts of those states contained within the MMSA.

## Montgomery County – Bucks County – Chester County MD/MSA (#33874)

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Bucks County PA AA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	119	3.4	24.4	41.2	30.3	0.8
Population by Geography	523,546	3.0	24.8	41.2	31.0	0.0
Housing Units by Geography	204,527	3.4	26.1	41.7	28.8	0.0
Owner-Occupied Units by Geography	147,054	1.7	20.1	44.0	34.2	0.0
Occupied Rental Units by Geography	46,162	8.3	42.9	35.8	13.1	0.0
Vacant Units by Geography	11,311	5.2	36.0	36.2	22.6	0.0
Businesses by Geography	68,001	2.6	20.1	43.6	33.6	0.1
Farms by Geography	1,533	1.8	19.4	41.5	37.2	0.1
Family Distribution by Income Level	138,225	20.5	19.2	21.7	38.6	0.0
Household Distribution by Income Level	193,216	23.3	17.5	18.1	41.0	0.0
Median Family Income MSA - 33874 Montgomery County-Bucks County-Chester County, PA		\$99,939	Median Housing Value			\$328,080
			Median Gross Rent			\$1,179
			Families Below Poverty Level			4.3%
<i>Source: 2015 ACS and 2020 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Of the 119 census tracts, 3.4 percent are low-income geographies, 24.4 percent are moderate-income geographies, 41.2 percent are middle-income geographies, 30.3 percent are upper-income geographies, and 0.8 percent have not been assigned an income classification.

The 2010 US Census reported the total population of the AA at 523,546. The median housing cost is \$328,080. There are 204,527 housing units, of which 71.89 percent are owner-occupied, 22.58 percent are rental-occupied, and 5.53 percent are vacant housing units.

The 2018-2020 median family income was \$99,939. Approximately 20.5 percent of the families are low-income, 19.2 percent are moderate-income, 21.7 percent are middle-income, and 38.6 percent are upper income. Approximately 4.3 percent are below the poverty level.

According to the U.S Bureau of Labor Statistics, the unemployment rate in Bucks County, PA in June 2018 was 3.8 percent and increased to 12.7 percent in June 2020. As of December 31, 2020, the unemployment rate was 5.7 percent.

The economy for the AA is beginning to stabilize. The major employment sectors in Bucks County are retail trade, education, healthcare, and educational services. The major employers are Giant Food Stores LLC, Central Bucks School District, Saint Mary Medical Center, Doylestown Hospital, Bucks County, and Walmart Associates Inc.

Competition in the AA is high and includes local community banks and larger regional and national banks. According to the FDIC Deposit Market Share Report as of June 30, 2020, FNB ranks eighth in deposit market share in Bucks County at 4.34 percent. FNB's main competitors are Wells Fargo Bank at 19.50 percent, TD Bank at 15.95 percent, Penn Community Bank at 8.23 percent, Citizens Bank of Pennsylvania at 7.90 percent, and PNC Bank at 6.62 percent.

There are 477 lenders in the bank's AA. FNB ranks 35<sup>th</sup> in mortgage market share with 0.63 percent. The top lenders in the area in terms of market share are Wells Fargo (10.77 percent), CBNA (6.46 percent), Police and Fire Federal Credit Union (4.81 percent), Quicken Loans (3.89 percent), and PNC Bank (2.78 percent).

### **Community Contact**

During this examination, we contacted one community organization whose primary purpose is economic development. We determined through discussions with this contact opportunities exist for community development and that local financial institutions are receptive in meeting credit needs of the area. The contact stated that more funding would allow the organization to expand the Food program, offer more financial literacy courses, and file more tax returns. Furthermore, with the demand affordable housing projects, there are always many opportunities for participation by local financial institutions.

## **Conclusions with Respect to Performance Tests in Pennsylvania**

### **LENDING TEST**

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

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

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

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

##### *Home Mortgage Loans*

Refer to Table O in 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 exhibits reasonable geographic distribution of loans in the state. The percentage of home mortgage loans made in low-income and moderate-income geographies is adequate. The percentage of home mortgage loans originated in low-income geographies is lower than the aggregate loans originated in the AA. Opportunities are very limited as there are only four low-income geographies located in the AA. Combined with the escalated high unemployment rate, the high cost of housing and strong competition, this further constrained the banks' ability to lend in these areas. However, the percentage of home loans made in moderate-income geographies, though lower, was near the total aggregate loans originated in the AA. This meets the standard for satisfactory performance.

##### *Small Loans to Businesses*

Refer to Table Q in the state of Pennsylvania section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

The bank's geographic distribution of loans to small business reflects reasonable dispersion throughout the low- and moderate-income geographies. Although the percentage of loans to both low- and moderate-income geographies is lower than the aggregate amount, the performance is reasonable given the competition from 477 lenders in FNB's AA. Opportunities to lend to businesses in these geographies was limited, compounded by business closures and slowdowns caused by the COVID-19 pandemic during the evaluation period.

##### *Lending Gap Analysis*

We found no conspicuous gaps or areas of low activity in the bank's lending patterns.

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

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

### *Home Mortgage Loans*

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

The percentage of home mortgage loans made to low-income borrowers exceeds the aggregate in the AA. This performance is considered excellent. The percentage of home mortgage loans made to moderate-income borrowers is near to the aggregate originated in the AA. This performance is considered satisfactory.

### *Small Loans to Businesses*

Refer to Table R in the state of Pennsylvania section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to businesses.

The borrower distribution of small loans to businesses is reasonable. The percentage of loans to businesses with gross annual revenue of \$1 million or less was below the percentage of those businesses. The percentage of loans to businesses with gross annual revenues of \$1 million or less exceeded the aggregate industry distribution of loans to those businesses.

## **Responses to Complaints**

FNB did not have any CRA-related complaints during the evaluation period.

## **COMMUNITY DEVELOPMENT TEST**

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

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

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

### Number and Amount of Community Development Loans

The bank continues to participate in CD loans through the Community Lenders Community Development Corporation, or CDC. The CDC is a consortium of local banks that provide funding for groups that develop low- and moderate-income housing and community revitalization projects. During the evaluation period, FNB contributed \$276,228 to 14 CD loans used to develop affordable housing and improve commercial spaces for local business use. FNB's total commitments during the evaluation period were \$750,000.

The bank participates in the Paycheck Protection Program as a loan processor for local small businesses. The Paycheck Protection Program is a program passed by Congress during the COVID-19 pandemic to help small businesses that have been affected by reduced in-person commerce. During the calendar year 2020 when the loan program began, FNB processed 552 loans in the amount of \$37,112,800.

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 \$
Montgomery County	2	14.3	29	10.4
Delaware County	2	14.3	16	5.9
Philadelphia County	8	57.1	197	71.3
Berks County	2	14.3	34	12.4

### Number and Amount of Qualified Investments

FNB did not make any qualified investments during the evaluation period.

FNB made donations totaling \$80,400 to several non-profit organizations that provide affordable housing and community services to low- and moderate-income individuals and families. \$15,000 of those came in the form direct donations sent to the organizations. The remaining \$65,400 came from rent discounts for each of the years in the evaluation period to a credit counseling service that leases the office space FNB's Richboro, PA branch. The organization's clients are predominantly low- to moderate- income individuals.

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

During the evaluation period, four bank employees provided financial and technical expertise and leadership services to qualifying CD organizations, listed below, serving the AA. The following are the CD services provided by FNB employees.

An employee worked on the Information and Referral Community Solutions team of an organization that provides education, housing, and basic needs services to low- and moderate-income individuals and families.

A bank officer provided financial and technical expertise by serving on the Board of an organization that provides financing for community redevelopment and revitalization projects. This individual also provides tax assistance.

A bank officer provided financial and technical expertise by serving on the Board of an organization that fights poverty and partners with the community to promote economic self-sufficiency.

A bank officer provided financial and technical expertise by serving as the Secretary of the Board of Directors of an organization that provides credit counseling and other financial services education.

## 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>	1/1/2018 through 12/31/2020	
<b>Bank Products Reviewed:</b>	(Home mortgage, small business) (Community development loans, qualified investments, community development services)	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
N/A	N/A	N/A
<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>MMSA(s)</b>		
FNB Newtown	Full Scope Review	For the period of 1/1/2018 through 12/31/2020
<b>State</b>		
Pennsylvania		

# Appendix B: Community Profiles for Full-Scope Areas

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RATINGS FNB of Newtown			
Overall Bank:	Lending Test Rating*	CD Test Rating	Overall Bank/State/Multistate Rating
FNB Newtown	Satisfactory	Satisfactory	N/A
Pennsylvania	Satisfactory	Satisfactory	N/A

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

## 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.
- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.
- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.

**Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography 2018-20**

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
Bucks County PA AA	407	77,001	100.0	21,064	1.7	0.7	1.6	20.1	14.3	19.5	44.0	39.6	44.4	34.2	45.5	34.4	0.0	0.0	0.0
<b>Total</b>	<b>407</b>	<b>77,001</b>	<b>100.0</b>	<b>21,064</b>	<b>1.7</b>	<b>0.7</b>	<b>1.6</b>	<b>20.1</b>	<b>14.3</b>	<b>19.5</b>	<b>44.0</b>	<b>39.6</b>	<b>44.4</b>	<b>34.2</b>	<b>45.5</b>	<b>34.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Source: 2015 ACS Census; 01/01/2018 - 12/31/2020 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>2018-20</b>		
	<b>Total Home Mortgage Loans</b>				<b>Low-Income Borrowers</b>			<b>Moderate-Income Borrowers</b>			<b>Middle-Income Borrowers</b>			<b>Upper-Income Borrowers</b>			<b>Not Available-Income Borrowers</b>				
<b>Assessment Area:</b>	<b>#</b>	<b>\$</b>	<b>% of Total</b>	<b>Overall Market</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>		
Bucks County PA AA	407	77,001	100.0	21,064	20.5	10.6	9.5	19.2	20.4	21.3	21.7	20.9	23.6	38.6	34.9	33.6	0.0	13.3	12.0		
<b>Total</b>	<b>407</b>	<b>77,001</b>	<b>100.0</b>	<b>21,064</b>	<b>20.5</b>	<b>10.6</b>	<b>9.5</b>	<b>19.2</b>	<b>20.4</b>	<b>21.3</b>	<b>21.7</b>	<b>20.9</b>	<b>23.6</b>	<b>38.6</b>	<b>34.9</b>	<b>33.6</b>	<b>0.0</b>	<b>13.3</b>	<b>12.0</b>		
<i>Source: 2015 ACS Census ; 01/01/2018 - 12/31/2020 Bank Data, 2019 HMDA Aggregate Data, "--" data not available.                      Due to rounding, totals may not equal 100.0%</i>																					

**Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography 2018-20**

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Bucks County PA AA	795	92,947	100.0	16,969	2.6	1.4	2.3	20.1	10.1	21.4	43.6	40.5	43.4	33.6	48.1	32.7	0.1	0.0	0.2
<b>Total</b>	<b>795</b>	<b>92,947</b>	<b>100.0</b>	<b>16,969</b>	<b>2.6</b>	<b>1.4</b>	<b>2.3</b>	<b>20.1</b>	<b>10.1</b>	<b>21.4</b>	<b>43.6</b>	<b>40.5</b>	<b>43.4</b>	<b>33.6</b>	<b>48.1</b>	<b>32.7</b>	<b>0.1</b>	<b>0.0</b>	<b>0.2</b>

Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data, "--" data not available.  
 Due to rounding, totals may not equal 100.0%

<b>Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues</b>											<b>2018-20</b>	
<b>Assessment Area:</b>	<b>Total Loans to Small Businesses</b>				<b>Businesses with Revenues &lt;= 1MM</b>			<b>Businesses with Revenues &gt; 1MM</b>		<b>Businesses with Revenues Not Available</b>		
	<b>#</b>	<b>\$</b>	<b>% of Total</b>	<b>Overall Market</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	
Bucks County PA AA	795	92,947	100.0	16,969	89.9	19.0	46.2	4.2	18.1	5.9	62.9	
<b>Total</b>	<b>795</b>	<b>92,947</b>	<b>100.0</b>	<b>16,969</b>	<b>89.9</b>	<b>19.0</b>	<b>46.2</b>	<b>4.2</b>	<b>18.1</b>	<b>5.9</b>	<b>62.9</b>	
<i>Source: 2020 D&amp;B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data, "--" data not available.                      Due to rounding, totals may not equal 100.0%</i>												