



PUBLIC DISCLOSURE

September 18, 2018

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The Northumberland National Bank
Charter Number 7005

245 Front Street
Northumberland, PA 17857

Office of the Comptroller of the Currency

1150 Northbrook Drive Suite 303
Trevoose, 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: 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 loan-to-deposit (LTD) ratio is reasonable and meets the standards for satisfactory performance.
- A majority of the bank's lending is inside its assessment area (AA) by number of loans originated or purchased.
- The overall geographic distribution of loans reflects excellent dispersion in low- and moderate-income (LMI) census tracts.
- The overall borrower distribution of loans by income level of the borrower reflects reasonable penetration of borrowers of different income levels.
- The level of community development (CD) activities is satisfactory in relation to the bank's performance context, and reflects adequate responsiveness to AA needs.

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout 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. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/AA.

Census Tract (CT): A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts generally have a population between 1,200 and 8,000 people, with an optimal size of 4,000 people. Their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

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; activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas; or loans, investments, and services that support, enable or facilitate projects or activities under HUD Neighborhood Stabilization Program criteria that benefit low-, moderate-, and middle-income individuals and geographies in the bank's AA(s) or outside the AA(s) provided the bank has adequately addressed the CD needs of its AA(s).

Community Reinvestment Act (CRA): The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, 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, home equity 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 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, loan pricing, the lien status of the collateral, any requests for preapproval, and loans for manufactured housing).

Home Mortgage Loans: Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

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 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 income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

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 MA/AA.

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. 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 it and half below it.

Metropolitan Area (MA): Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget, and any other area designated as such by the appropriate federal financial supervisory agency.

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 (MSA): 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 MSA 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.

Other Products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

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.

Rated Area: A rated area is a state or multi-state MA. 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 MA, the institution will receive a rating for the multi-state MA.

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 noncumulative 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.

Description of Institution

Northumberland National Bank (NNB) is a single-state community bank headquartered in Northumberland, Pennsylvania. As of December 31, 2017, the bank had \$508 million in assets. It is a financial institution wholly owned by Northumberland Bancorp, a one-bank holding company located at the same address with consolidated assets of \$508 million. The bank has a subsidiary, NNB Financial Services, which sells financial and insurance products. This entity is not considered in this evaluation, because it does not impact the bank's efforts or capacity to meet community needs.

As of December 31, 2017, NNB operated six full-service branches and one limited-service branch. NNB's main office is in Northumberland. Other branches are located in Sunbury, Hummel's Wharf, Port Trevorton, Selinsgrove, and Middleburg. NNB's limited service branch is a drive-up facility, located in close proximity to its main office. All branches have automated teller machines (ATMs), offer extended hours on Thursdays and Fridays, and are open on Saturdays.

As of June 30, 2017, NNB had deposits of \$453.8 million. According to the Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report dated June 30, 2017, NNB had the highest percent of deposit market share at 16.2% among the 22 depository institutions in the rating area.

There are no legal, financial, or other factors impeding the bank's ability to meet the credit needs in its AA. The last CRA evaluation was on August 5, 2015 and resulted in a satisfactory rating. There were no mergers or acquisitions since the last CRA evaluation.

Scope of the Evaluation

Evaluation Period/Products Evaluated

We completed a review of NNB's CRA performance in its AA under the Intermediate Small Bank (ISB) examination procedures, which included a lending test and a community development (CD) test. The lending test evaluated the bank's record of meeting the credit needs of the bank's AA through its lending activities. The CD test evaluated the bank's responsiveness to CD needs in its AA through qualified lending, investments and donations, and services.

The evaluation period for the lending test was January 1, 2015 through December 31, 2017 and included all mortgage loans. We performed revenue and geographic distribution analyses on mortgage loans originated or purchased inside the AA. The evaluation period for the CD test was from January 1, 2015 through December 31, 2017.

Data Integrity

NNB's primary lending products are loans to finance home purchase, home improvement, and home refinancing. Prior to this evaluation, we completed a data integrity review of information collected by management for mortgage loans for years 2015 and 2016. NNB operates in a non-MSA AA. The bank is not required to collect and report Home Mortgage Disclosure Act (HMDA) loan data. The bank collected this data in 2015 and 2016 but did not collect HMDA loan data for 2017. To evaluate the bank's performance under the lending test for mortgages in 2017, we collected data from a random sample of 20 mortgage loans originated in 2017 by the bank.

Selection of Areas for Full-Scope Review

NNB has a single AA located in north central Pennsylvania. NNB's AA is a combination of 25 census tracts (CTs) located in Northumberland, Snyder, and Union Counties in Pennsylvania. Since all of the counties are homogenous and located in non-metropolitan statistical areas (non-MSAs), they were combined for analysis purposes. 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. The bank's overall rating is based solely on the full-scope review of the census tracts that comprise its AA.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. §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 Consumer Financial Protection Bureau, 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.

Conclusions with Respect to Performance Tests

LENDING TEST

NNB's performance under the lending test is satisfactory.

Loan-to-Deposit Ratio

NNB's net loan-to-deposit ratio is reasonable. The bank's quarterly loan-to-deposit ratio since the previous CRA evaluation averaged 67.28 percent, with the highest ratio of 70.57 percent in the fourth quarter of 2017 and the lowest ratio of 64.33 in the second quarter of 2015. NNB's quarterly average net loan-to-deposit ratio is reasonable compared to a custom peer group of other Pennsylvania institutions of similar size. We compared the bank's LTD ratio to three similarly situated banks in Northumberland and Union counties, ranging in total asset sizes from \$66 million to \$403 million. The quarterly average of these banks over the same 12 quarters was 76.98 percent. The ratios ranged from a quarterly low of 61.37% to a quarterly high of 91.08% during that period.

Lending in Assessment Area

Based on the data in table D below, the inside/outside ratio of the bank's originations and purchases of loans is reasonable and meets the standard for a satisfactory performance. By number, a majority of the loan originations, refinances, and purchases were inside the bank's AA. The following table details the bank's lending inside and outside its AA by number and dollar amount:

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										
2015	321	86.1	52	13.9	373	30,950	84.0	5,898	16.0	36,848
2016	279	85.3	48	14.7	327	30,604	84.2	5,722	15.8	36,326
*2017	18	90.0	2	10.0	20	2,454	88.7	312	11.2	2,765
Subtotal	618	85.8	102	14.1	720	64,008	84.2	11,932	15.7	75,939
Total	618	85.8	102	14.1	720	64,008	84.2	11,932	15.7	75,939

Source: Evaluation Period: 1/1/2015 - 12/31/2016 Bank Data

Due to rounding, totals may not equal 100.0

*2017 was a sample of 20 loans

Geographic Distribution of Loans

The overall geographic distribution of loans reflects excellent dispersion throughout geographies of different income levels.

Home Mortgage Loans

Based on the data in Appendix C, Table O, and the following performance context considerations, the geographic distribution of the bank's home mortgage loan originations and purchases reflects excellent dispersion.

For 2015 to 2016, the bank did not make any home mortgage loans in low-income geographies. Given there were no owner occupied housing units in low-income geographies, this performance is reasonable. The percentage of home mortgage loans made in moderate-income geographies exceeds the percentage of owner-occupied housing units in the AA. This performance is excellent. NNB exceeded the percentage of aggregated peer loans made in moderate-income geographies in 2015 and 2016.

For 2017, the bank did not make any home mortgage loans in low-income geographies. Given there were no owner occupied housing units in low-income geographies, this performance is reasonable. The percentage of home mortgage loans made in moderate-income geographies exceeds the percentage of moderate-income families in the AA. This performance is excellent. NNB exceeded the percentage of aggregated peer loans made in moderate-income geographies in 2017.

Lending to Borrowers of Different Incomes

The overall borrower distribution of loans by income level reflects reasonable penetration of mortgages to borrowers of different income.

Home Mortgage Loans

Based on the data in Appendix C, Table P, and the following performance context considerations, we concluded the borrower distribution of the bank's originations and purchases of home mortgage loans reflects reasonable penetration.

The distribution of mortgage loans in 2015 and 2016 reflects reasonable penetration to individuals of different income levels. The percentage of loans made to low-income borrowers was below the percentage of low-income families in the AA. The percentage of loans to moderate-income borrowers exceeded the percentage of moderate-income families. NNB exceeded the percentage of aggregated peer loans made to LMI groups in 2015 and 2016.

Lending to borrowers of different income levels was poor in 2017. Based on our sample, the bank did not make any loans to low-income borrowers. The percentage of loans to moderate-income borrowers was significantly below the percentage of moderate-income families. NNB was significantly below the percentage of aggregated peer loans made to LMI groups in 2017.

Responses to Complaints

The bank did not receive any CRA-related complaints during the evaluation period.

COMMUNITY DEVELOPMENT TEST

NNB's performance under the Community Development (CD) test is satisfactory. The level of CD activities demonstrates adequate responsiveness to the needs of the community. Factors supporting this conclusion include the institution's adequate record regarding qualified CD loans, satisfactory qualified donations and services, and appropriate responsiveness to CD needs. The CD activities benefit LMI individuals or LMI geographies throughout the entire AA, including Northumberland, Snyder, and Union Counties.

Number and Amount of Community Development Loans

NNB provided an adequate level of CD loans in its AA. During the evaluation period, the bank made three community development loans totaling \$425 thousand. One loan for \$150 thousand supported a community service center that provides mentoring services, after school programs, Teen Leadership Programs, and Health and Wellness classes to students in LMI geographies. One loan for \$250 thousand supported the development of a local municipal storm water management system that serves LMI individuals. Another loan for \$25 thousand supported improvements in a local municipal public drinking water system.

Number and Amount of Qualified Investments

NNB did not make any qualified investments during the evaluation period. NNB made an adequate level of CD donations in its AA. During the evaluation period, the bank made 25 donations totaling \$287 thousand to organizations in the AA that provide economic or community development services to LMI individuals or within LMI geographies. These organizations provided services including medical treatment for LMI individuals without health insurance, educational programs for students in LMI geographies, behavioral health and addiction services, and housing assistance for LMI individuals.

Extent to Which the Bank Provides Community Development Services

During the evaluation period, four NNB employees provided technical and financial expertise to seven organizations within the AA. The organizations included:

- Two regional economic development authorities that promote investment and job creation in LMI geographies;
- Two educational organizations that promote the development of LMI students;
- A hospital that provides behavioral health and substance abuse treatment to LMI individuals;
- A non-profit organization that addresses behavioral health, addiction, and diversity/inclusion issues; and
- A housing committee that addresses fair housing and homelessness issues.

Responsiveness to Community Development Needs

NNB's level of CD activities demonstrates adequate responsiveness to the needs and opportunities in its AA. A community contact noted that the needs of the community include early education, affordable housing, affordable home repairs, access to medical care, and food availability. NNB's CD loans, donations, and services address these needs.

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 metropolitan and nonmetropolitan areas 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	Lending Test (excludes CD loans): (01/01/15 to 12/31/17) Investment and Service Tests and CD Loans: (01/01/15 to 12/31/17)	
Financial Institution	Products Reviewed	
The Northumberland National Bank	Residential mortgage loans	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None	Not Applicable	Not Applicable
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Census tracts in Union, Northumberland and Snyder counties	Full-Scope	Not Applicable

Appendix B: Community Profiles for Full-Scope Areas

NNB has a single AA located in north central Pennsylvania. NNB's AA is a combination of 25 CTs located in Northumberland, Snyder, and Union Counties in Pennsylvania. Since all of the counties are homogenous and located in non-metropolitan statistical areas (non-MSAs), they were combined for analysis purposes. The AA does not reflect illegal discrimination and does not arbitrarily exclude any low- or moderate- income area(s).

The following chart provides a summary of demographic information for the AA from 2015 to 2016.

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	25	4.0	12.0	64.0	12.0	8.0
Population by Geography	115,927	1.7	8.5	73.9	11.9	3.9
Housing Units by Geography	47,901	0.4	10.8	76.3	12.4	0.1
Owner-Occupied Units by Geography	31,698	0.0	6.7	78.7	14.6	0.0
Occupied Rental Units by Geography	11,740	1.3	20.0	71.1	7.5	0.2
Vacant Units by Geography	4,463	0.0	16.2	73.8	10.0	0.0
Businesses by Geography	5,761	0.2	10.5	78.0	11.1	0.2
Farms by Geography	512	0.0	1.2	87.5	11.3	0.0
Family Distribution by Income Level	30,508	16.2	20.6	23.6	39.5	0.0
Household Distribution by Income Level	43,438	20.2	17.3	19.5	43.0	0.0
Median Family Income Non-MSAs - PA		\$50,163	Median Housing Value			\$122,007
			Median Gross Rent			\$578
			Families Below Poverty Level			8.1%

*Source: 2010 U.S. Census and 2016 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.*

From 2015 to 2016, the AA contained three upper-income CTs (12%), 16 middle-income tracts (64%), three moderate-income tracts (12%), and one low-income tract (4%). The AA also contained two tracts the Office of Management and Budget (OMB) had not assigned income ratings (8%).

According to the 2010 U.S. Census data, the AA had a total population of 115,927. The AA contained 30,508 families. Of those families, 16.2% were low-income, 20.6% were moderate-income, 23.6% were middle-income, and 39.5% were upper-income. Eight percent of the families in the AA were below the poverty level. The 2013 HUD updated median family income was \$50,163.

The 2010 U.S. Census data reported 47,901 housing units in the AA. Approximately 66.17% were owner-occupied, 24.51% were rental occupied, and 9.32% were vacant housing units. Of the 3,698 owner-occupied housing units, none were located in low-income geographies, 6.7% were located in moderate-income geographies, 78.7% were located in middle-income geographies, 14.6% were located in upper-income geographies, and none were located in geographies that were not assigned income levels. The median housing value was \$122,007.

For the period from January 1, 2017 through December 31, 2017, data from the 2010 U.S. Census was used in our analysis but was modified to include 2017 Office of Management and Budget census updates. These changes required a separate analysis of data of updated 2017 information in certain lending tests. The following chart provides a summary of demographic information for the 2017 AA:

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	25	0.0	4.0	80.0	4.0	12.0
Population by Geography	117,558	0.0	2.4	88.7	2.7	6.1
Housing Units by Geography	48,297	0.0	2.6	94.3	2.8	0.3
Owner-Occupied Units by Geography	32,332	0.0	1.4	95.2	3.3	0.2
Occupied Rental Units by Geography	11,789	0.0	6.3	91.3	1.8	0.6
Vacant Units by Geography	4,176	0.0	1.7	95.6	1.9	0.7
Businesses by Geography	5,751	0.0	5.1	92.9	1.6	0.5
Farms by Geography	494	0.0	0.2	93.7	6.1	0.0
Family Distribution by Income Level	30,636	17.6	18.5	22.1	41.8	0.0
Household Distribution by Income Level	44,121	20.5	16.8	18.1	44.5	0.0
Median Family Income Non-MSAs - PA		\$56,172	Median Housing Value			\$140,069
			Median Gross Rent			\$668
			Families Below Poverty Level			8.3%

*Source: 2015 ACS Census and 2017 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.*

For 2017, the AA contained one upper-income CTs (4%), 20 middle-income tracts (80%), one moderate-income tracts (4%), and no low-income tract (0%). The AA also contained three tracts which the Office of Management and Budget (OMB) had not assigned income ratings (12%).

According to the 2015 ACS U.S. Census (effective January 1, 2017), the AA had a total population of 117,558. The AA contains 30,636 families. Of those families, 17.6% were low-income, 18.5% were moderate-income, 22.1% were middle-income, and 41.8% were upper-income. Eight percent of the families in the AA were below the poverty level. The 2013 HUD updated median family income was \$56,172.

The 2015 ACS U.S. Census data reported 48,297 housing units in the AA. Approximately 66.94% were owner-occupied, 24.41% were rental occupied, and 8.65% were vacant housing units. Of the 32,332 owner-occupied housing units, none were located in low- income geographies, 1.4% were located in moderate-income geographies, 95.2% were located in middle-income geographies, 2.8% were located in upper-income geographies, and 0.3% were located in geographies that are not assigned income levels. The median housing value was \$140,069.

NNB's AA has a varied economic base that includes healthcare, manufacturing, retail trade, educational institutions and agribusiness as the primary economic activities. The wood industry remains one of the largest employers in Snyder County, given the area's natural resources. Some of the companies located in the area are Heister House Millworks, Inc.; Bingaman & Son Lumber Co., Inc.; Wood-Mode, Inc. (custom cabinetry); Stanley Woodworking (custom and stock wood components and moldings); and Conestoga Wood Specialties Corp. (custom wood doors and components for the kitchen cabinet industry). There are two major educational institutions in the area including Bucknell University in Lewisburg and Susquehanna University in Selinsgrove. These educational institutions have helped stabilize the economy in this area. Three hospitals, Sunbury Community Hospital, Geisinger Medical Center and Evangelical Community Hospital are also top employers. Finally, the life sciences, high technology, and advanced manufacturing industries are steadily growing.

Major employers in the AA by county include:

- Northumberland County – Weis Markets, Inc., Pennsylvania State Government, and Conagra Foods Company.
- Snyder County – Wood-Mode, Inc., Pennsylvania State Government, and Susquehanna University.
- Union County – Bucknell University, Federal Government, and Evangelical Community Hospital.

According to the Bureau of Labor Statistics, the December 31, 2017 non-seasonally adjusted unemployment rate was 4.1% for Union County, 4.2% for Snyder County, and 5.6% for Northumberland County. The Pennsylvania unemployment rate was 4.4%, and the national unemployment rate was 4.1%.

Competition for both loans and deposits is evident in the counties. Based on the June 30, 2017 FDIC Summary of Deposit Market Share report, NNB ranks 1st with a 16.19% deposit market share in the Northumberland, Snyder, and Union counties. West Milton State Bank ranks 2nd with six offices within the AA, and a 12.06% deposit market share. Branch Banking and Trust Company ranks third with 12 offices an 11.18 % deposit market share. Manufacturers & Traders Trust Company ranks fourth with nine offices and an 11.10% deposit market share.

Appendix C: Tables of Performance Data

Content of Standardized Tables

For purposes of reviewing the lending test tables, the following are applicable: (1) purchased loans are treated as originations/purchases; (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/AA. 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. Tables are identified by both letters and numbers, which result from how they are generated in supervisory analytical systems.

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

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 MA/AA. 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 2015-16

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
Northumberland	600	61,554	100.0	1,760	0.0	0.0	0.0	6.7	8.0	4.9	78.7	68.2	77.3	14.6	23.8	17.6	0.0	0.0	0.2
Total	600	61,554	100.0	1,760	0.0	0.0	0.0	6.7	8.0	4.9	78.7	68.2	77.3	14.6	23.8	17.6	0.0	0.0	0.2

Source: 2010 U.S Census; 01/01/2015 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0

Table O : Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography 2017

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
Northumberland	20	2,175	100.0	1,596	0.0	0.0	0.0	6.1	10.0	1.1	95.2	55.0	93.3	3.3	25.0	5.6	0.2	0.0	0.0
Total	20	2,175	100.0	1,596	0.0	0.0	0.0	6.1	10.0	1.1	95.2	55.0	93.3	3.3	25.0	5.6	0.2	0.0	0.0

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

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower **2015-16**

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
Northumberland	600	61,554	100.0	1,760	16.2	5.8	5.2	20.6	22.7	16.3	23.6	28.3	23.3	39.5	42.3	40.1	0.0	0.8	15.1
Total	600	61,554	100.0	1,760	16.2	5.8	5.2	20.6	22.7	16.3	23.6	28.3	23.3	39.5	42.3	40.1	0.0	0.8	15.1

Source: 2010 U.S Census; 01/01/2015 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0

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

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
Northumberland	20	2,765	100.0	1,596	17.6	0	6.6	18.5	1.0	17.5	22.1	55.0	24.8	41.8	25.0	39.2	0.0	0.0	11.8
Total	20	2,765	100.0	1,596	17.6	0	6.6	18.5	1.0	17.5	22.1	55.0	24.8	41.8	25.0	39.2	0.0	0.0	11.8

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