



## **PUBLIC DISCLOSURE**

October 21, 2019

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

Victory Community Bank  
Charter Number 717868

2500 Chamber Center Drive, Suite 100  
Fort Mitchell, KY 41017

Office of the Comptroller of the Currency

Central Ohio Field Office  
Westlake Center  
4555 Lake Forest Drive, Suite 520  
Cincinnati, OH 45242

**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 major factors that support this rating include:

- The Lending Test rating is based on the State of Kentucky rating, which is Satisfactory. The bank exhibits a reasonable distribution of loans to individuals of different income levels.
- Additionally, the bank’s performance relative to the activities considered at the bank-wide level is overall reasonable. These include:
  - The bank’s loan-to-deposit (LTD) ratio is more than reasonable.
  - A majority of the bank’s loans are inside the assessment area (AA).

### Loan-to-Deposit Ratio

Considering the bank’s size, financial condition, and credit needs of the AA, the bank’s loan-to-deposit ratio is more than reasonable.

The bank’s quarterly average LTD ratio over the 19 quarters since the previous CRA evaluation (December 2014 – June 2019) is 111.2 percent. The ratio ranged from a low of 103.0 percent at March 31, 2015, to a high of 117.9 percent at December 31, 2017. The bank’s average LTD ratio of 111.2 percent is more than reasonable when compared to the average LTD ratio of 87.5 percent of similarly situated financial institutions, with total assets less than \$1 billion and bank offices in the AA (Kenton, Boone, and Campbell Counties in Kentucky).

### Lending in Assessment Area

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

The bank originated and purchased 60.7 percent of its total loans inside the bank’s AA 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.

<b>Lending Inside and Outside of the Assessment Area</b>										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	1,579	60.7	1,021	39.3	2,600	316,225	55.7	251,276	44.3	567,501
<b>Total</b>	<b>1,579</b>	<b>60.7</b>	<b>1,021</b>	<b>39.3</b>	<b>2,600</b>	<b>316,225</b>	<b>55.7</b>	<b>251,276</b>	<b>44.3</b>	<b>567,501</b>

*Source: Evaluation Period: 1/1/2016 - 12/31/2018 Bank Data (HMDA data).  
Due to rounding, totals may not equal 100.0.*

## Description of Institution

Victory Community Bank (VCB or bank) is a federally chartered, stock savings association and is a wholly owned subsidiary of Victory Bancorp, Inc. Both the bank and holding company are headquartered in Fort Mitchell, Kentucky. As of June 30, 2019, the bank has \$176.4 million in total assets and \$25.0 million in tier 1 capital. The bank's main office in Fort Mitchell is in the Northern Kentucky area in Kenton County. In addition to the main office, the bank has two branches in Kentucky, located in Florence (Boone County) and Fort Thomas (Campbell County). All three offices are in middle- or upper-income geographies. The Fort Mitchell and Florence offices have drive-up facilities and automated teller machines (ATM). The bank also offers online and mobile banking. No offices have been opened or closed since the prior CRA evaluation in 2014. There is no merger or acquisition activity that affects the scope of the bank's operations during the evaluation period.

VCB is a single-state institution with one rating area. The bank has one AA located in the State of Kentucky, which is the bank's only rating area. The AA includes Kenton, Boone, and Campbell counties, which are in the Cincinnati, OH-KY-IN Metropolitan Statistical Area (MSA) 17140 (MSA AA).

VCB offers standard deposit and lending products and services through its network of branches. As of June 30, 2019, the bank's net loans and leases totaled \$152.9 million, or 86.7 percent of total assets. The bank's loan originations and purchases during the evaluation period (2016 – 2018), based on the number of loans originated/purchased, are 92.8 percent residential real estate (home mortgage), 5.8 percent commercial/commercial real estate (business), and 1.4 percent consumer loans. The bank's loan originations and purchases during the evaluation period, based on the dollar amount of loans originated/purchased, are 94.8 percent home mortgage, 5.0 percent business, and 0.2 percent consumer loans. The bank's primary lending focus is home mortgage lending. During the evaluation period, the bank sold 2,138 home mortgage loans to the secondary market totaling approximately \$486.5 million.

There are no financial, legal, or other factors that impede VCB's ability to help meet the credit needs of its AA. VCB's previous CRA rating was Satisfactory as of the CRA Performance Evaluation (PE) dated December 1, 2014.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

We conducted a full-scope CRA evaluation to assess the bank's record of meeting the credit needs of its entire community, including low- and moderate-income (LMI) areas. We used the small savings association CRA evaluation procedures to assess the bank's performance. Based on discussions with bank management and the number and dollar volume of loan origination data supplied by the bank, home mortgage loans are the bank's primary lending product and were evaluated under the Lending Test. We analyzed lending activity in full-year increments during the evaluation period, January 1, 2016 to December 31, 2018. The review included all home mortgage loans reported in the Home Mortgage Disclosure Act (HMDA) Loan Application Registers (LARs) for 2016, 2017, and 2018. We used only the home mortgage loans that were originated and purchased in the AA to evaluate VCB's performance relative to the geographic and borrower income distributions.

For analysis purposes, we compared the bank's lending performance with demographic data from the 2010 U.S. Census and 2015 American Community Survey (ACS) U.S. Census. The income designation of some of the census tracts (CTs) in the AAs changed in 2017, based upon the 2015 ACS U.S. Census data. Due to changes in demographic information during the evaluation period, we used the 2010 U.S. Census data for analysis and comparison purposes for loans originated and purchased in 2016 and the 2015 ACS U.S. Census data for loans originated and purchased in 2017 and 2018. We reviewed the 2016 loan data separately from the 2017 and 2018 loan data. No affiliate activity was included in this analysis. Refer to the table in appendix A for more information on the scope of the review.

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

In each state where the bank has an office, one or more of the AAs within that state was selected for a full-scope review. For purposes of this evaluation, VCB has one AA in the State of Kentucky, and we completed a full-scope review of this AA. A community profile for the AA is provided in the "Description of Institution's Operations in Kentucky" in the State of Kentucky section of this evaluation. Refer to appendix A, Scope of Examination, for a list of full-scope AAs.

### **Ratings**

The bank's overall rating is based on the State of Kentucky rating. VCB operates in the state of Kentucky, with all branch offices in Kentucky. The State of Kentucky rating is based on the performance in the bank's MSA AA, which is the bank's only AA. We completed a full-scope review of the MSA AA. Refer to the "Scope" under the State Rating section for more details.

### **Discriminatory or Other Illegal Credit Practices Review**

Pursuant to 12 CFR 25.28(c) or 195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Bureau of Consumer Financial Protection, as applicable.

The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

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

## State Rating

### State of Kentucky

**CRA rating for the State of Kentucky:** Satisfactory.

**The Lending Test is rated:** Satisfactory.

The major factors that support this rating include:

- The bank exhibits a reasonable distribution of loans to individuals of different income levels, given the product lines offered by the bank.
- The LTD ratio is more than reasonable.
- A majority of the bank's loans are inside the bank's AA.

### Description of Institution's Operations in Kentucky

VCB's AA consists of Kenton, Boone, and Campbell Counties in northern Kentucky, which is in the Cincinnati, OH-KY-IN MSA 17140 (MSA AA). The AA is contiguous, meets the requirements of the CRA regulation, and does not arbitrarily exclude any LMI areas. Bank management selected the AA based on their targeted lending area, the area with the most deposit activity, and office locations. The bank has three office locations, with an office in Fort Mitchell, Florence, and Fort Thomas, Kentucky. All three offices are in middle- or upper-income geographies.

The underlying demographics changed in 2017 due to the 2015 ACS U.S. Census. The 2015 ACS U.S. Census data resulted in changes to the CT classifications from the 2010 U.S. Census data. According to the 2010 U.S. Census, the AA is comprised of 88 CTs, including eight low-income, 18 moderate-income, 40 middle-income, 21 upper-income, and one CT without an income classification. According to the 2015 ACS U.S. Census, the AA is comprised of 88 CTs, including 11 low-income, 15 moderate-income, 42 middle-income, 19 upper-income, and one CT without an income classification.

As part of this CRA evaluation, we reviewed information provided from interviews with representatives from affordable housing, economic development, and/or community development organizations. The contacts identified affordable housing for LMI individuals as a credit need in the community. In general, local financial institutions are adequately meeting the credit and community development needs of the community.

### MSA AA

The economic conditions in the MSA AA have improved and are overall stable. As of the August 2019 U.S. Bureau of Labor Statistics Data, Kenton, Boone, and Campbell Counties have unemployment rates (not seasonally adjusted) of 3.5 percent, 3.3 percent, and 3.5 percent, respectively, which are slightly better than the statewide and nationwide unemployment rate of 3.8 percent. The AA has a diverse mix of industries, including manufacturing, services, and life sciences industries. Large employers in the

MSA AA include the Cincinnati/Northern Kentucky International Airport, St. Elizabeth Healthcare, Fidelity Investments, Kroger Company, Boone County Schools, and Amazon.

Competition in the AA is strong with national banks, state banks, savings associations, and branches of larger financial institutions. According to the Federal Deposit Insurance Corporation's (FDIC) Deposit Market Share Report as of June 30, 2019, there are 21 financial institutions in the MSA AA, with 138 total banking offices. Total deposits of all financial institutions within the MSA AA equaled approximately \$7.3 billion. VCB held approximately \$132.4 million, or 1.8 percent, of the MSA AA's total deposits, ranking twelfth out of 21 financial institutions. The bank has three offices in the MSA AA. Financial institutions with significant deposit market share in the MSA AA include Fifth Third Bank, Branch Banking and Trust Company, and U.S. Bank, National Association. As of the 2015 ACS U.S. Census data, the 2018 peer mortgage data (HMDA data) shows VCB with a 3.3 percent lending market share in the MSA AA, which is eighth out of 328 financial institutions. Primary home mortgage lenders in the MSA AA as of the 2018 peer mortgage data include Huntington National Bank, U.S. Bank National Association, Guardian Savings Bank, and Wells Fargo Bank, National Association.

According to 2010 U.S. Census data, the median housing value in the MSA AA was \$154,629. Based on the 2016 median family income of \$68,800, low-income families make less than \$34,400 and moderate-income families make less than \$55,040. Overall median housing values are approximately 2.8 to 4.5 times the annual income of LMI families in the AA. The housing costs relative to income may have a limiting effect on mortgage demand among some LMI families. There are 153,006 total housing units in the AA, of which 65.5 percent are owner-occupied and 25.3 percent are rental occupied units. Approximately 7.7 percent of the families and 10.0 percent of the households live below the poverty level.

According to 2015 ACS U.S. Census data, the median housing value in the MSA AA was \$153,035. Based on the 2017 median family income of \$73,600, low-income families make less than \$36,800 and moderate-income families make less than \$58,880. Overall median housing values are approximately 2.6 to 4.2 times the annual income of LMI families in the AA. Based on the 2018 median family income of \$77,000, low-income families make less than \$38,500 and moderate-income families make less than \$61,600. Overall median housing values are approximately 2.5 to 4.0 times the annual income of LMI families in the AA. The housing costs relative to income may have a limiting effect on mortgage demand among some LMI families. There are 156,589 total housing units in the AA, of which 62.3 percent are owner-occupied and 28.3 percent are rental occupied units. Approximately 9.7 percent of the families and 12.2 percent of the households live below the poverty level.

The 2015 ACS Census data demonstrates that the poverty rate increased from the 2010 U.S. Census data despite an increase in median-family income. Though not severe, the poverty rate is still significant. Further, the homeownership affordability for low-income families that is observed in the 2010 U.S. Census data is also present in the 2015 ACS Census data. Therefore, we considered the poverty rate and home affordability in our analysis of home mortgage lending to low-income borrowers.

In our geographic lending analysis, we considered that the bank's three offices in the AA are in middle- or upper-income geographies. Only the bank's main office is located near LMI tracts. VCB's home mortgage lending is largely referral based, which may limit the bank's geographic distribution of loans in the LMI tracts.

Additionally, we considered the substantial competition from other financial institutions in the MSA AA, which are competing for the same loans in the LMI tracts. Substantial competition in the MSA AA may saturate the market and further limit lending opportunities to LMI individuals and in LMI tracts. VCB has participated in the Federal Home Loan Bank (FHLB) of Cincinnati's Welcome Home program which awards grants to LMI borrowers to fund down payment and closing costs. The bank participated in the FHLB's Welcome Home program during each year of the evaluation period, providing grants of \$200,000 (40 loans) per year which is the program's maximum per lender.

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: MSA AA, 2016</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)	88	9.1	20.5	45.5	23.9	1.1
Population by Geography	368,867	4.5	16.9	50.1	28.5	0.0
Housing Units by Geography	153,006	5.5	19.4	48.7	26.4	0.0
Owner-Occupied Units by Geography	100,160	2.5	15.2	52.2	30.0	0.0
Occupied Rental Units by Geography	38,664	11.6	28.1	41.6	18.7	0.0
Vacant Units by Geography	14,182	10.1	24.7	44.0	21.2	0.0
Businesses by Geography	21,038	2.7	20.6	44.9	31.6	0.2
Farms by Geography	676	1.0	11.1	61.5	26.3	0.0
Family Distribution by Income Level	93,214	18.6	16.9	22.2	42.3	0.0
Household Distribution by Income Level	138,824	21.8	15.7	18.4	44.1	0.0
Median Family Income MSA - 17140 Cincinnati, OH-KY-IN MSA		\$67,016	Median Housing Value			\$154,629
			Median Gross Rent			\$713
			Families Below Poverty Level			7.7%
<i>Source: 2010 U.S. Census and 2016 Dun &amp; Bradstreet (D&amp;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.</i>						

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: MSA AA, 2017-2018</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)	88	12.5	17.0	47.7	21.6	1.1
Population by Geography	379,099	7.7	13.7	52.3	26.3	0.0
Housing Units by Geography	156,589	8.7	15.6	52.7	23.0	0.0
Owner-Occupied Units by Geography	98,109	4.5	11.3	54.7	29.5	0.0
Occupied Rental Units by Geography	44,302	15.7	22.7	49.5	12.1	0.0
Vacant Units by Geography	14,178	16.2	23.5	48.7	11.7	0.0
Businesses by Geography	21,891	5.5	21.3	47.4	25.6	0.2
Farms by Geography	704	4.3	9.7	55.5	30.5	0.0
Family Distribution by Income Level	96,343	20.2	17.3	21.3	41.1	0.0



Household Distribution by Income Level	142,411	22.5	15.2	18.6	43.7	0.0
Median Family Income MSA - 17140 Cincinnati, OH-KY-IN MSA		\$70,589	Median Housing Value			\$153,035
			Median Gross Rent			\$794
			Families Below Poverty Level			9.7%
<p><i>Source: 2015 ACS Census and 2018 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></p>						

**Scope of Evaluation in Kentucky**

We conducted a full-scope review of the bank’s only AA, the MSA AA, to assess the bank’s record of meeting the credit needs of its entire community, including LMI areas. The bank’s MSA AA includes Kenton, Boone, and Campbell Counties in Kentucky, and data in this AA was analyzed and presented as one AA for purposes of this evaluation. Home mortgage loans are the bank’s primary lending products and were evaluated under the Lending Test during this evaluation. The review included an evaluation of all home mortgage loans reported in the HMDA LARs for 2016, 2017, and 2018. Refer to the Scope of the Evaluation section for more details.

**LENDING TEST**

The bank’s performance under the Lending Test in Kentucky is rated Satisfactory.

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

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

The bank exhibits poor geographic distribution of loans in the AA.

***Home Mortgage Loans***

Refer to Table O in the state of Kentucky 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.

To help assess performance under this criterion, we compared the percentage of home mortgage loans originated and purchased by the bank to the percentage of owner-occupied housing units (demographic data) in the four geographic income categories, placing emphasis on the low- and moderate-income geographies. We also compared the bank’s performance against the percentage of home mortgage loans of other home mortgage lenders (aggregate data) in the AA, as demonstrated by HMDA aggregate data.

The bank exhibits poor geographic distribution of home mortgage loans in the AA.

In 2017-2018, the bank originated 1,036 home mortgage loans inside the MSA AA. Of those loans, the bank originated and purchased 1.4 percent in low-income CTs, which is below aggregate data of 3.7 percent and demographic data of 4.5 percent. The bank originated 4.2 percent in moderate-income CTs, which is significantly below aggregate (10.3 percent) and demographic (11.3 percent) data.

In 2016, the bank originated 543 home mortgage loans inside the MSA AA. The bank's lending performance in 2016 is like 2017-2018, with the bank's percentages below or significantly below aggregate and demographic data.

VCB's offices are in middle- or upper-income CTs. This may explain the lower volume of loans in LMI tracts in comparison to banks with a physical presence in LMI geographies. Based on discussions with management, VCB's home mortgage lending is largely referral based, which may limit the bank's geographic distribution of loans in LMI CTs. The bank's geographic distribution analysis reflects lending throughout the AA with no conspicuous gaps.

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

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

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

Refer to Table P in the state of Kentucky 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.

To help assess performance under this criterion, we compared the percentage of home mortgage loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level (demographic data) in the AA, placing emphasis on lending to low- and moderate-income families. We also compared the bank's performance against home mortgage loans of other home mortgage lenders (aggregate data) in the AA, as demonstrated by HMDA aggregate data.

The bank exhibits a reasonable distribution of home mortgage loans to individuals of different income levels in the AA.

In 2017-2018, the bank's lending to low-income borrowers in the MSA AA was 6.1 percent, which is reasonable when compared to the aggregate data of 10.6 percent. We note that the poverty rate for families below the poverty level in the MSA AA was 9.7 percent. The poverty rate may limit lending opportunities to low-income families, as residents of limited income may encounter difficulty meeting credit underwriting standards. With a moderate poverty rate, the bank has fewer opportunities to lend to low-income borrowers. We also considered the median price of housing in the MSA AA relative to the maximum income of LMI borrowers, which may demonstrate a barrier to homeownership. Refer to the "Description of Institution's Operations in Kentucky" for more details on the median price of housing in the MSA AA. The bank's lending to moderate-income borrowers in 2017-2018 is reasonable at 20.0 percent when compared to aggregate data of 21.8 percent and demographic data of 17.3 percent.

The bank's lending performance in 2016 is like 2017-2018, which is overall reasonable when compared to aggregate data. Of note, the poverty rate for families below the poverty level in the MSA AA in 2016 was 7.7 percent. We also considered the median price of housing in the MSA AA relative to the maximum income of LMI borrowers, which may demonstrate a barrier to homeownership.

## **Responses to Complaints**

The bank has not received any complaints about its CRA performance in helping to meet the AA's credit needs during the evaluation period.

# 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 MSAs and non-MSAs 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>	0/01/2016 – 12/31/2018	
<b>Bank Products Reviewed:</b>	Home mortgage loans	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
None		
<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>
State of Kentucky		
MSA AA	Full-Scope	The MSA AA includes Kenton, Boone, and Campbell counties in Kentucky, which is in the Cincinnati, OH-KY-IN MSA 17140. The bank operates in the State of Kentucky, with all branches in Kentucky.

# Appendix B: Summary of State Ratings

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RATINGS: VICTORY COMMUNITY BANK	
Overall Bank:	Lending Test Rating
Victory Community Bank	Satisfactory
State:	
Kentucky	Satisfactory

## Appendix C: Definitions and Common Abbreviations

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The following terms and abbreviations are used in this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

**Affiliate:** Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Aggregate Lending (Aggt.):** The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

**Census Tract (CT):** A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

**Combined Statistical Area (CSA):** A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

**Community Development (CD):** Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

**Community Reinvestment Act (CRA):** The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

**Consumer Loan(s):** A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, other secured consumer loans, and other unsecured consumer loans.

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into ‘male householder’ (a family with a male householder’ and no wife present) or ‘female householder’ (a family with a female householder and no husband present).

**Full-Scope Review:** Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

**Geography:** A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders that conduct business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

**Home Mortgage Loans:** A closed-end mortgage loan or an open-end line of credit as these terms are defined under 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

**Household:** Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

**Limited-Scope Review:** Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

**Low-Income Individual:** Individual income that is less than 50 percent of the area median income.

**Low Income Geography:** A census tract with a median family income that is less than 50 percent.

**Market Share:** The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above, and half below, a range of incomes.

**Metropolitan Division:** As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

**Metropolitan Statistical Area (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 Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

**Middle-Income:** Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography

**Moderate-Income:** Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

**Multifamily:** Refers to a residential structure that contains five or more units.

**Owner-Occupied Units:** Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

**Qualified Investment:** A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

**Rating Area:** A rated area is a state or multi-state metropolitan statistical area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan statistical area, the institution will receive a rating for the multi-state metropolitan statistical area.

**Small Loan(s) to Business(es):** A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

**Small Loan(s) to Farm(s):** A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland or are classified as loans to finance agricultural production and other loans to farmers.

**Tier 1 Capital:** The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.



**Upper-Income:** Individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent, in the case of a geography.

## Appendix D: Tables of Performance Data

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### Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30<sup>th</sup> of each year. Tables without data are not included in this PE.

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

**Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.

**Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.

<b>Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography</b>																				<b>2016</b>
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	
MSA AA	543	107,183	100.0	15,123	2.6	0.6	1.6	15.2	4.8	12.2	52.2	46.8	52.8	30.0	47.9	33.5	0.0	0.0	0.0	
<b>Total</b>	<b>543</b>	<b>107,183</b>	<b>100.0</b>	<b>15,123</b>	<b>2.6</b>	<b>0.6</b>	<b>1.6</b>	<b>15.2</b>	<b>4.8</b>	<b>12.2</b>	<b>52.2</b>	<b>46.8</b>	<b>52.8</b>	<b>30.0</b>	<b>47.9</b>	<b>33.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	

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

<b>Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography</b>																				<b>2017-18</b>
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	
MSA AA	1,036	209,042	100.0	15,555	4.5	1.4	3.7	11.3	4.2	10.3	54.7	51.0	54.5	29.5	43.3	31.5	0.0	0.0	0.0	
<b>Total</b>	<b>1,036</b>	<b>209,042</b>	<b>100.0</b>	<b>15,555</b>	<b>4.5</b>	<b>1.4</b>	<b>3.7</b>	<b>11.3</b>	<b>4.2</b>	<b>10.3</b>	<b>54.7</b>	<b>51.0</b>	<b>54.5</b>	<b>29.5</b>	<b>43.3</b>	<b>31.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	

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

<b>Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower</b>																			<b>2016</b>
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
MSA AA	543	107,183	100.0	15,123	18.6	4.6	8.1	16.9	16.0	19.3	22.2	19.3	19.5	42.3	59.9	34.6	0.0	0.2	18.5
<b>Total</b>	<b>543</b>	<b>107,183</b>	<b>100.0</b>	<b>15,123</b>	<b>18.6</b>	<b>4.6</b>	<b>8.1</b>	<b>16.9</b>	<b>16.0</b>	<b>19.3</b>	<b>22.2</b>	<b>19.3</b>	<b>19.5</b>	<b>42.3</b>	<b>59.9</b>	<b>34.6</b>	<b>0.0</b>	<b>0.2</b>	<b>18.5</b>

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

<b>Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower</b>																			<b>2017-18</b>
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
MSA AA	1,036	209,042	100.0	15,555	20.3	6.1	10.6	17.3	20.0	21.8	21.3	21.5	22.2	41.1	51.6	31.9	0.0	0.8	13.6
<b>Total</b>	<b>1,036</b>	<b>209,042</b>	<b>100.0</b>	<b>15,555</b>	<b>20.3</b>	<b>6.1</b>	<b>10.6</b>	<b>17.3</b>	<b>20.0</b>	<b>21.8</b>	<b>21.3</b>	<b>21.5</b>	<b>22.2</b>	<b>41.1</b>	<b>51.6</b>	<b>31.9</b>	<b>0.0</b>	<b>0.8</b>	<b>13.6</b>

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