



## PUBLIC DISCLOSURE

October 15, 2019

## COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Champlain National Bank  
Charter Number 9405

3900 NYS Route 22  
Willsboro, NY 12996

Office of the Comptroller of the Currency

5000 Brittonfield Parkway  
Suite 102B  
East Syracuse, NY 13057

**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, nor should it 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 that support this rating include:

- The Lending Test rated is based on the bank's performance in the state of New York, which includes excellent geographic distribution of home mortgage, small business and consumer loans, excellent distribution of loans to businesses of different sizes, reasonable distribution of consumer loans to borrowers of different income levels, a reasonable loan-to-deposit (LTD) ratio and a majority of lending with the bank's single assessment area (AA).
- The Community Development (CD) Test rating is based on the bank's performance in the state of New York, which reflects adequate responsiveness to community development needs through community development services and qualified investments.

### Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AA, the bank's LTD ratio is reasonable. The bank's average quarterly LTD ratio since the prior CRA evaluation through June 30, 2019, was 75.74 percent. In comparison, four similarly situated banks had an average quarterly LTD ratio of 83.45 percent, with ratios ranging from a low of 52.12 percent to a high of 94.62 percent during the same period. The institutions used for comparison either compete directly with CNB or in similar markets.

### Lending in Assessment Area

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

The bank originated and purchased 84.2 percent (by number) and 77.4 percent (by dollar) 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. This performance was positively factored into the overall analysis of the geographic distribution of lending by income level of the census tract. Refer to the table below for details.

<b>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</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 Loans	36	92.3	3	7.7	39	6,352	84.0	1,208	15.8	7,560
Small Business	51	85.0	9	15.0	60	8,637	73.4	3,132	26.6	11,769
Auto Loan	30	75.0	10	25.0	40	634	74.3	219	25.7	853
<b>Total</b>	<b>117</b>	<b>84.2</b>	<b>22</b>	<b>15.8</b>	<b>139</b>	<b>15,623</b>	<b>77.4</b>	<b>4,559</b>	<b>22.6</b>	<b>20,182</b>

*Source: Evaluation Period: 01/01/2017 - 12/31/2018 Bank Data*

*Due to rounding, totals may not equal 100.0*

## Description of Institution

Champlain National Bank (CNB) is a \$357.3 million single-state community bank headquartered in Elizabethtown, New York (N.Y.). The bank is wholly owned by Champlain Bank Corporation, which is headquartered in Willsboro, N.Y. CNB's main office and all nine branches are located within Clinton and Essex counties in New York's Adirondack region, which borders Canada to the north and Vermont to the east. All branches have automated teller machines (ATM) on premises. Since the prior CRA evaluation, the bank opened one branch, Saranac Lake, within the AA; there have been no branch closings.

CNB offers a variety of non-complex deposit and lending products in order to meet the needs of the community served by the bank's offices. Lending activities are focused on commercial real estate lending, commercial lending and residential real estate lending. CNB also offers FHA, USDA, VA and Freddie Mac Home Possible loans through Quicken Loans in the secondary market. During the evaluation period, management focused heavily on consumer lending, mainly indirect auto lending. As of December 31, 2018, CNB reported total assets of \$357.3 million and total loans of \$263.4 million. Earning assets of \$327.8 million are comprised of net loans (79.2 percent of earning assets) and investments (20.8 percent).

As of December 31, 2018, commercial and commercial real estate loans totaled \$145.4 million, or approximately 55.2 percent of gross loans. Residential mortgage loans accounted for \$79.3 million or 30.1 percent, and consumer loans, \$35.4 million or 13.5 percent of gross loans. Other loans accounted for \$3.3 million or 1.2 percent of gross loans. CNB's tier 1 capital totals \$30.3 million.

The bank designated one AA, the non-MSA AA, which consists of Clinton and Essex Counties in their entirety. Competition from other financial institutions operating in the market is moderate with six other institutions operating 32 branches. Competitors also include credit card companies, on-line lenders and larger institutions with an expansive on-line presence. There have been no mergers or acquisitions since the last evaluation. CNB does not have any legal, financial or other factors that would impede its ability to help meet the credit needs in its AA.

The bank received a rating of "Satisfactory" CRA performance at the last CRA evaluation dated October 19, 2016.

## **Scope of the Evaluation**

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

The evaluation period spans from October 19, 2016, through December 31, 2018. The Lending Test portion of the evaluation was based on an evaluation of loans considered to be the bank's primary product types originated and purchased between January 1, 2017, and December 31, 2018. For CD activities, the evaluation period was from October 19, 2016, the date of the last evaluation, through December 31, 2018.

An evaluation of the bank's lending data determined CNB's primary products during this period were automobile loans, home mortgage loans, and small business loans. For lending in the AA, we determined the bank's performance by selecting a random sample of loans originated and purchased during 2017 and 2018, both in and out of the AA. Conclusions for the income distribution and the geographic distribution of loans were based on the loans located in the AA.

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

In each state where the bank has an office, one or more of AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated assessment areas located within the same metropolitan statistical area (MSA), multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope. Refer to the "Scope" section under each State Rating for details regarding how full-scope AAs were selected. Refer to appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

### **Ratings**

The bank's overall rating is a blend of the state ratings, and where applicable, multistate ratings.

For CNB, the overall rating is based on the bank's lending activity in its only AA, the Non-MSA AA located in New York State.

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

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

Pursuant to 12 CFR 25.28(c) or 195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the

OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Bureau of Consumer Financial Protection, as applicable.

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

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

## State Rating

### State of New York

**CRA rating for the State of New York:** Satisfactory

**The Lending Test is rated:** Satisfactory

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

The major factors that support this rating include:

- An excellent geographic distribution of home mortgage, small business and consumer loans.
- An excellent distribution of loans to businesses of different sizes and a reasonable distribution of consumer loans to individuals of different income levels.
- Adequate responsiveness to community development needs in the state of New York through community development services and qualified investments.

### Description of Institution's Operations in New York State

CNB's main office and nine full-service branches are located within Clinton and Essex counties in New York's Adirondack region, which borders Canada to the north and Vermont to the east. The main office, located in Willsboro, contains a main office, drive-up facility and operations center. Six additional branches are located in Essex County, one each in the towns of Crown Point, Keene, Elizabethtown, Lake Placid, Westport, and Saranac Lake. The remaining three branches; Plattsburgh Downtown, Plattsburgh West, and Champlain, are located in Clinton County. Champlain, the most northern branch, is approximately 50 miles from Willsboro. Crown Point, the most southern branch, is about 32 miles from Willsboro. The newest and most western branch, which held a grand opening on August 23, 2017, is situated in Saranac Lake, or approximately 50 miles from the main office. Since the prior CRA evaluation, there have been no additional branch or ATM closings or relocations. The majority of branches are open eight hours a day during the work week, generally between the hours of 9:00 am and 5:00 pm. Two offices, Plattsburgh West and Lake Placid, have Saturday banking hours between 9:00 am and noon. Two branches, Plattsburgh Downtown and Saranac Lake, have deposit taking walk-up ATMs, the Westport branch has a non-deposit taking walk-up ATM, while all remaining six offices have drive-up teller windows and a walk-up ATM.

The bank's only AA, the non-MSA AA, consists of the entirety of Clinton and Essex counties which includes 32 census tracts (CT). Refer to Table A for demographic information for the AA. The non-MSA AA consists of all 19 CTs in Clinton County and all 13 CTs in adjacent Essex County. As reported in the 2015 ACS U.S. Census Data Report, the AA contains one low-income, one moderate-income, 23 middle-income, six upper-income CTs, and one tract with no income classification. The low- and moderate-income census tracts are both located in the City of Plattsburgh. The State University of New York (SUNY) Plattsburgh represents the census tract with no income classification. Management did not arbitrarily exclude any low- or moderate-income tracts from the AA. The bank's AA has remained unchanged since the prior evaluation.

The AA's economic condition has steadily improved since the prior two CRA evaluations, as evidenced by material improvements in unemployment trends. Within Clinton County, the unemployment rate improved to 3.8 percent as of September 2019 from 5.1 percent at August 2016, and 9.2 percent in August of 2012. Within Essex County, the unemployment trend improved to 3.5 percent from 4.1 percent and 8 percent during the same timeframe. The September 2019 ratios compare favorably to the state's seasonally adjusted unemployment rate of 3.9 percent. However, the effects of seasonal employment are visible in the AA, as unemployment levels tend to be peak in winter months and bottom during the summer. Both Clinton and Essex County generate tourism revenue from various outdoor activities.

Major public employers within Clinton County include local governments, school districts, and SUNY Plattsburgh. Major private employers include Nova Bus, Bombardier Inc., Schluter Systems, and International Paper. In Plattsburgh, the major population center of the AA, the Plattsburgh Airbase Redevelopment Corporation (PARC) has been successful in creating a new home for businesses and nonprofits over the last 24 years on its 165 parcel, 5,000 acre property. Uses of the facility include aviation, biotechnology, industrial and recreation. PARC tenants include Wood Group, Pratt and Whitney (industrial turbine services), Sikorsky, UPS Airfreight, FedEx Airfreight, PrimeLink, and Gradient. Nova and Bombardier continue to benefit from transportation related development projects across the country for buses and commuter train cars. The recent opening of Norsk Titanium has expanded the employment opportunities in the AA. Norsk manufactures aerospace components using 3D rapid plasma printers. Other significant employers in the AA include CVPH Medical Center and Clinton Community College in Plattsburgh.

The rural nature of the AA includes a significant portion of farmland, some of which is not in use. A substantial portion of the AA is comprised of uninhabited mountain terrain, much of which is classified as "Forever Wild" by the New York State Constitution. Clinton County is located in the northeastern corner of New York State, bordered on the east by Lake Champlain and to the north by Quebec, Canada. The county's southwest corner is located within a portion of Adirondack Park.

According to the most recent Federal Deposit Insurance Corporation (FDIC) Market Share Report as of June 30, 2019, CNB's deposits totaled \$78.7 million inside the market area of Clinton County, representing the sixth highest or 5.5 percent of the deposit market share. Within Essex County, CNB's deposits totaled \$231.5 million, representing the highest or 30.8 percent of the deposit market share. Within both counties, primary deposit competitors include TD Bank N.A., Community Bank N.A., KeyBank N.A., Glens Falls National Bank & Trust Company, and NBT Bank N.A.

During the evaluation, we contacted a local economic development organization to provide insight into sustainable economic opportunities and needs. The agency's service area includes Essex and Clinton Counties. The contact stated that identified needs include funding to support the transition of small businesses, either to new ownership as older business owners retire or seek to close their businesses due to various reasons. The contact noted that many small business owners do not have a transition plan in place. As such, when their businesses close, not only do communities lose that business, but individuals lose jobs. Another need is affordable child care and transportation for lower-income families, so they can access training programs that will help lead them to financial self-sufficiency. The contact stated banks can help fund the development of innovative new programs that grow the local economy, and will both help address challenges and seize opportunities to create a greater impact on grant-funded projects. Additionally, the contact noted local banks, including CNB, are supportive and appear engaged in the community.



**Champlain AA**

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Non-MSA AA 2015 ACS Census</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)	32	3.1	3.1	71.9	18.8	3.1
Population by Geography	120,597	2.3	2.8	70.2	22.4	2.3
Housing Units by Geography	61,596	2.4	2.6	73.2	21.6	0.2
Owner-Occupied Units by Geography	32,988	0.5	1.6	74.6	23.2	0.0
Occupied Rental Units by Geography	14,178	7.6	6.6	63.7	21.9	0.3
Vacant Units by Geography	14,430	1.6	0.9	79.2	17.8	0.6
Businesses by Geography	6,336	4.6	2.1	69.0	23.9	0.5
Farms by Geography	322	0.3	1.2	81.4	17.1	0.0
Family Distribution by Income Level	30,189	19.1	15.7	21.1	44.2	0.0
Household Distribution by Income Level	47,166	22.4	15.6	17.5	44.4	0.0
Median Family Income Non-MSAs - NY		\$59,570	Median Housing Value			\$136,946
			Median Gross Rent			\$762
			Families Below Poverty Level			9.9%
<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>						

**Scope of Evaluation in New York**

CNB's state rating is based on the bank's automobile, home mortgage, and small business lending activity and community development activity in its only AA in the state, the non-MSA AA. The assessment of lending performance is weighted equally for 2017 and 2018. The 2018 peer lending data for home mortgage lending and small business lending was unavailable at the time of our analysis. Therefore, examiners used 2017 peer data results as a proxy to assess bank performance against aggregate peer data. Since submitting consumer lending data is optional to all banks, and not regularly maintained, aggregate data is not used in the analysis of consumer lending performance.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NEW YORK****LENDING TEST**

The bank's performance under the Lending Test in New York State is rated Satisfactory.

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

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

The bank exhibits excellent geographic distribution of loans in the state.

***Home Mortgage Loans***

Refer to Table O in the state of New York section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The geographic distribution of home mortgage loans in the AA was excellent. In 2017 and 2018, the portfolio of home mortgage loans made in low-income census tracts exceeded the portion of owner-occupied housing and exceeded the average for peer lenders. In 2017 and 2018, the portfolio of home mortgage loans made in moderate-income census tracts exceeded the portion of owner-occupied housing and exceeded the average for peer lenders.

***Small Loans to Businesses***

Refer to Table Q in the state of New York 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 geographic distribution of small loans to businesses was excellent. In 2017 and 2018, the percentage of small loans to businesses made in low-income census tracts exceeded the percentage of businesses located in the census tracts and exceeded the average for peer lenders. In 2017 and 2018, the percentage of small loans to businesses made in moderate-income census tracts exceeded the percentage of businesses located in the census tracts and exceeded the average for peer lenders.

***Consumer Loans***

Refer to Table U in the state of New York section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's consumer loan originations and purchases.

The geographic distribution of consumer loans in the AA was excellent. In 2017 and 2018, consumer loans originated and purchased in low-income census tracts exceeded the distribution of households in those census tracts. In 2017 and 2018 consumer loans originated and purchased in moderate-income census tracts exceeded the distribution of households in those census tracts.

***Lending Gap Analysis***

OCC examiners reviewed summary reports and AA maps detailing CNB's lending activity over the evaluation period for home mortgage loans, small loans to businesses and automobile loans to identify any gaps in the geographic distribution of loans. No unexplained conspicuous gaps were identified.

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

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

***Home Mortgage Loans***

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

The borrower distribution of home mortgage loans was poor. In 2017 and 2018, the portion of home mortgage loans to low-income borrowers was poor compared to the percentage of low-income families and poor when compared to the average for peer lenders. Given the median family housing value during the evaluation period of \$136,946, it would be difficult for a low-income borrower, who would earn less than \$31,250 in 2017 and \$32,150 in 2018, to qualify for a home mortgage loan. In 2017 and 2018, CNB did not originate/purchase any home mortgage loans to moderate-income borrowers. Given that same median housing value, it would be possible for a moderate-income borrower to qualify for a home mortgage loan.

### ***Small Loans to Businesses***

Refer to Table R in the state of New York 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.

CNB exhibited excellent distribution of lending to small businesses during the evaluation period. In 2017 and 2018, the portion of loans to businesses with revenues of \$1 million or less exceeded the percentage of businesses in the AA and exceeded the average for peer lenders.

### ***Consumer Loans***

Refer to Table V in the state of New York section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's consumer loan originations and purchases.

The borrower distribution of consumer loans was reasonable. In 2017 and 2018, the portion of consumer loans to low-income borrowers was reasonable compared to the percentage of low-income households and the portion of consumer loans to moderate-income borrowers exceeded the percentage of moderate-income households.

### **Responses to Complaints**

CNB did not receive any CRA related complaints during the evaluation period.

## **COMMUNITY DEVELOPMENT TEST**

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

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.

### **Number and Amount of Community Development Loans**

CNB did not originate any community development loans during the evaluation period. We considered the fact that based on the bank's asset size it did not meet the asset threshold for an intermediate small bank evaluation until January 1, 2019. Therefore, management had minimal time to originate or

purchase qualifying community development loans. Subsequent to the evaluation period, management originated three community development loans which will be considered in the next performance evaluation.

### Number and Amount of Qualified Investments

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Non-MSA AA	6	\$1,505	5	\$5	11	100%	\$1,510	100%	0	\$0

\* Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

\*\* Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

The bank's level of qualified investments and donations demonstrated satisfactory responsiveness to the community development needs in the AA. Qualified investments include six prior period investments with \$1.5 million outstanding as of December 31, 2018, representing general obligation bonds for three school districts where in excess of 50 percent of the students are eligible for free or reduced lunch. In addition, the bank contributed \$4,800 to four organizations that provide community development services targeting low- and moderate-income individuals and families.

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

CNB's representatives, over the evaluation period, participated in various community development services that were responsive to the needs of its AA. In 2017 and 2018, one senior vice president, one vice president and two bank staff served as a director or provided financial expertise to four community development organizations in the non-MSA AA including two affordable housing organizations and two economic development organizations. As mentioned previously, the bank's assessment under the intermediate small bank performance criteria became effective on January 1, 2019. Subsequent to January 1, 2019, management conducted financial literacy courses for students in school districts where more than 50 percent are eligible for free or reduced lunch. These activities will be considered in the next performance evaluation but are indicative of management's commitment to the community.

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\* 'Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

## 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>	Lending Test: (01/01/2017 to 12/31/2018) Community Development Test: (10/19/2016 to 12/31/2018)	
<b>Bank Products Reviewed:</b>	Home Mortgage Loan, Automobile Loans Small Business Loans Community development loans, qualified investments, and community development services	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
None	N/A	N/A
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Areas</b>	<b>Type of Exam</b>	<b>Other Information</b>
Non-MSA AA	Full-Scope	Entire counties of Essex County and Clinton County in New York State

## Appendix B: Summary of MMSA and State Ratings

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<b>RATINGS Champlain National Bank</b>			
<b>Overall Bank:</b>	<b>Lending Test Rating*</b>	<b>CD Test Rating</b>	<b>Overall Bank/State/Multistate Rating</b>
Champlain National Bank	Satisfactory	Satisfactory	Satisfactory
State:			
New York State	Satisfactory	Satisfactory	Satisfactory

(\*) 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 low- to moderate-income 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 U. Assessment Area Distribution of Consumer 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 households in those geographies.

**Table V. Assessment Area Distribution of Consumer 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 households by income level in each MMSA/assessment area.

<b>Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography</b>																		<b>2017-18</b>		
	<b>Total Home Mortgage Loans</b>			<b>Low-Income Tracts</b>			<b>Moderate-Income Tracts</b>			<b>Middle-Income Tracts</b>			<b>Upper-Income Tracts</b>			<b>Not Available-Income Tracts</b>				
	#	\$	% of Total	% 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		
Non-MSA AA	36	6,352	75.0	0.5	11.1	0.8	1.6	11.1	1.4	74.6	55.6	71.5	23.2	22.2	26.3	0.0	0.0	0.0		
<b>Total</b>	<b>36</b>	<b>6,352</b>	<b>75.0</b>	<b>0.5</b>	<b>11.1</b>	<b>0.8</b>	<b>1.6</b>	<b>11.1</b>	<b>1.4</b>	<b>74.6</b>	<b>55.6</b>	<b>71.5</b>	<b>23.2</b>	<b>22.2</b>	<b>26.3</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, "--" data not available. Due to rounding, totals may not equal 100.0*

<b>Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower</b>																		<b>2017-18</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>				
	#	\$	% of Total	% of Families	% Bank Loans	Aggregate	% of Families	% Bank Loans	Aggregate	% of Families	% Bank Loans	Aggregate	% of Families	% Bank Loans	Aggregate	% of Families	% Bank Loans	Aggregate		
Non-MSA AA	36	6,352	75.0	19.1	2.8	5.1	15.7	0.0	16.8	21.1	27.8	24.3	44.2	69.4	41.1	0.0	0.0	0.0		
<b>Total</b>	<b>36</b>	<b>6,352</b>	<b>75.0</b>	<b>19.1</b>	<b>2.8</b>	<b>5.1</b>	<b>15.7</b>	<b>0.0</b>	<b>16.8</b>	<b>21.1</b>	<b>27.8</b>	<b>24.3</b>	<b>44.2</b>	<b>69.4</b>	<b>41.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		

*Source: 2015 ASC Census; 01/01/2017 - 12/31/2018 Bank Data, "--" data not available. Due to rounding, totals may not equal 100.0*

**Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography 2017-18**

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
Non-MSA AA	51	8,637	100.0	1,614	4.6	13.7	2.9	2.1	11.8	1.9	69.0	56.9	69.9	23.9	17.6	25.2	0.5	0.0	0.1
<b>Total</b>	<b>51</b>	<b>8,637</b>	<b>100.0</b>	<b>1,614</b>	<b>4.6</b>	<b>13.7</b>	<b>2.9</b>	<b>2.1</b>	<b>11.8</b>	<b>1.9</b>	<b>69.0</b>	<b>56.9</b>	<b>69.9</b>	<b>23.9</b>	<b>17.6</b>	<b>25.2</b>	<b>0.5</b>	<b>0.0</b>	<b>0.1</b>

Source: 2018 D&B Data; 01/01/2017 - 12/31/2018 Bank Data; 2017 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0

**Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues 2017-18**

Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Non-MSA AA	51	8,637	100.0	1,614	77.3	78.4	37.3	6.9	21.6	15.8	0.0
<b>Total</b>	<b>51</b>	<b>8,637</b>	<b>100.0</b>	<b>1,614</b>	<b>77.3</b>	<b>78.4</b>	<b>37.3</b>	<b>6.9</b>	<b>21.6</b>	<b>15.8</b>	<b>0.0</b>

Source: 2018 D&B Data; 01/01/2017 - 12/31/2018 Bank Data; 2017 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0

<b>Table U: Assessment Area Distribution of Consumer Loans by Income Category of the Geography</b>													<b>2017-18</b>	
Assessment Area:	Total Consumer Loans			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts		
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	
Non-MSA AA	30	634	75.0	2.7	6.7	3.1	6.7	71.3	56.7	22.8	30.0	0.0	0.0	
<b>Total</b>	<b>30</b>	<b>634</b>	<b>75.0</b>	<b>2.7</b>	<b>6.7</b>	<b>3.1</b>	<b>6.7</b>	<b>71.3</b>	<b>56.7</b>	<b>22.8</b>	<b>30.0</b>	<b>0.0</b>	<b>0.0</b>	
<i>Source: 2015 ASC Census; 01/01/2017 - 12/31/2018 Bank Data.                      Due to rounding, totals may not equal 100.0</i>														

<b>Table V: Assessment Area Distribution of Consumer Loans by Income Category of the Borrower</b>													<b>2017-18</b>	
Assessment Area:	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income Borrowers		
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	
Non-MSA AA	30	634	75.0	22.4	13.3	15.6	40.0	17.5	36.7	44.4	6.7	0.0	3.3	
<b>Total</b>	<b>30</b>	<b>634</b>	<b>75.0</b>	<b>22.4</b>	<b>13.3</b>	<b>15.6</b>	<b>40.0</b>	<b>17.5</b>	<b>36.7</b>	<b>44.4</b>	<b>6.7</b>	<b>0.0</b>	<b>3.3</b>	
<i>Source: 2015 ASC Census; 01/01/2017 - 12/31/2018 Bank Data.                      Due to rounding, totals may not equal 100.0</i>														