



## **PUBLIC DISCLOSURE**

July 14, 2025

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

Valley National Bank  
Charter Number: 15790

70 Speedwell Avenue  
Morristown, NJ 07960

Office of the Comptroller of the Currency

Midsized and Trust Bank Supervision  
425 S. Financial Place, Suite 1700  
Chicago, IL 60605

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 (LMI) 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 **Outstanding**.

The following table indicates the performance level of Valley National Bank (VNB or the bank) with respect to the Lending, Investment, and Service Tests:

Performance Levels	Valley National Bank Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding	X	X	
High Satisfactory			X
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

\*The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.

The major factors that support this rating include:

- The Lending Test rating is based on excellent performance within the New York – New Jersey multistate metropolitan statistical area (MMSA) (NY-NJ MMSA), and the states of Alabama and Florida. Community Development (CD) lending had a positive impact on the Lending Test ratings across all four rating areas, including the state of New Jersey. The bank's nationwide CD loans were considered favorably in the overall Lending Test conclusion.
- The Investment Test rating is based on good performance within the NY-NJ MMSA, the state of Alabama, and the state of Florida, with excellent performance in the state of New Jersey. The bank's nationwide qualified investments, including grants, had a significantly positive impact on the Investment Test conclusion. The bank's nationwide qualified investments and grants were particularly responsive to revitalization and stabilization efforts in LMI geographies and affordable housing needs. These nationwide qualified investments and grants are equivalent to additional 5.2 percent of the bank's tier 1 capital.
- The Service Test rating is based on good service delivery systems that were accessible to geographies and individuals of varying income levels in the NY-NJ MMSA and the state of Florida, reasonably accessible to geographies and individuals of varying income levels in the state of Alabama and unreasonably inaccessible to geographies and individuals of varying income levels in the state of New Jersey. VNB provides banking services through various alternative delivery systems. The bank had a relatively high level of CD services in the NY-NJ MMSA, the state of Alabama, and the state of Florida.

## Other Factors Considered in our Analysis under Performance Tests

### Nationwide Community Development Activities

As part of the CRA evaluation, the OCC reviewed VNB's nationwide CD initiatives. This review included activities conducted by the former Bank Leumi USA, which VNB acquired on April 1, 2022, with corporate offices in Los Angeles County, CA; San Mateo County, CA; and Cook County, IL. These nationwide CD activities were considered favorably in the evaluation of each respective area.

Nationwide CD lending consisted of 67 CD loans totaling \$881.8 million. The volume of CD loans is equivalent to 14.6 percent of tier 1 capital. The bank's CD loans were particularly responsive to community services and to affordable housing needs. By dollar volume, 79.9 percent funded community services targeted to LMI individuals, 19.2 percent of these loans funded affordable housing, 0.5 percent funded economic development activities, and 0.3 percent supported revitalization and stabilization efforts in LMI geographies.

The contributions from the areas formerly served by Bank Leumi USA are included in this nationwide total. These contributions enhanced VNB's initiatives and demonstrated a meaningful commitment to community development in those regions, with CD loans from these areas totaling \$134.1 million.

The bank made 205 qualified investments and grants nationwide totaling \$315 million, representing 5.2 percent of tier 1 capital. These investments and grants were particularly responsive to revitalization and stabilization efforts and to affordable housing needs. Of these, approximately \$278.3 million funded revitalization and stabilization efforts in LMI geographies, \$32.3 million supported affordable housing, \$3.7 million funded economic development activities, and \$498,100 funded community service targeted to LMI individuals.

The contributions from the areas formerly served by Bank Leumi USA are included in this nationwide total. These contributions enhanced VNB's initiatives and demonstrated a meaningful commitment to community development in those regions, with investments and grants totaling \$27.3 million.

Nationwide CD services consisted of 17 VNB employees holding leadership positions as board or committee members for 19 CD organizations, and accounted for 378 hours during the evaluation period. Additionally, over 150 employees provided 753 hours of volunteer service to 37 organizations. CD services were particularly responsive to community services and affordable housing. By hours, 72.9 percent benefitted community services targeted to LMI individuals, 18.3 percent targeted affordable housing, 8.3 percent benefitted economic development activities, and 0.5 percent served revitalization and stabilization efforts.

The contributions from the areas formerly served by Bank Leumi USA are included in this nationwide total. These contributions enhanced VNB's initiatives and demonstrated a meaningful commitment to community development in those regions, with CD service hours totaling 581.

### Innovative or Flexible Lending Products

The bank made extensive use of innovative and/or flexible lending practices in order to serve assessment area (AA) credit needs of both consumers and small business owners. Programs offered throughout the bank's multi-state geographic footprint are described below. See the Product Innovation and Flexibility

in the Lending Test section of the respective rating areas for details regarding usage and impact on ratings.

- Community Advantage Home Mortgage

VNB developed a residential mortgage product in conjunction with New Jersey Citizen Action and Association for Neighborhood and Housing Development organizations for LMI borrowers and applicants with mortgages in LMI geographies. The program has flexibility for first-time homebuyer needs by assisting on eligible co-op loans and assures deed restrictions as required for some down payment assistance programs. Features of the program include three percent down payment, no private mortgage insurance (PMI) requirements, and a reduced interest rate on fixed payments. Homebuyer counseling and post purchase counseling are required from VNB's authorized housing counseling agency. During the evaluation period, VNB originated 526 loans totaling \$141 million.

- Community Advantage Plus

This program is designed for first-time home mortgage homebuyers purchasing a home in LMI census tracts (CT). The program is designed for first-time homebuyers that cannot access traditional first-time homebuyer programs that are limited to 80 percent of the area median income (AMI). Features of the program include 5 percent down payment, no PMI requirement, and reduced interest rates on fixed payments. Homebuyer counseling from VNB's authorized housing counseling agency is required. During the evaluation period, VNB originated 431 loans totaling \$214.9 million.

- Community Advantage Refinance

This is a home mortgage refinance program designed for homeowners to have the ability to refinance their home when there is insufficient equity to qualify for most bank refinance programs. This program provides the homeowner the ability to refinance up to 95 percent of the home's loan to value (LTV) for current VNB mortgage customers or 90 percent LTV for other lenders with no cash out. During the evaluation period, VNB originated 28 loans totaling \$5.7 million.

- Community Home Equity Credit Line

VNB provides a home equity line of credit up to \$250,000 available to LMI borrowers or for properties located within LMI CTs. The product offers reduced interest rates and waives closing costs to enhance affordability and access to credit. During the evaluation period, VNB originated 11 loans totaling \$1.1 million.

- Community Small Business Lending

VNB provides unsecured loans ranging from \$5,000 to \$100,000 to support small businesses, with a particular emphasis on minority and women-owned enterprises. It is designed to serve underserved business owners by fostering long-term relationships and prioritizing business growth and sustainability rather than rapid loan repayment. During the evaluation period, VNB originated 1,536 loans totaling \$39.5 million.

- Community Land Trusts and Deed Restrictions

VNB extends mortgage loans on deed restricted properties and community land trusts. During the evaluation period, VNB granted four loans totaling \$670,155.

- Co-Op Transactions

VNB provides access to co-op mortgage loans through a variety of mortgage products. This type of financing involves more complex legal structures. During the evaluation period, VNB originated 129 transactions totaling approximately \$29 million.

- The 421-a Affordable Housing Program

The 421-a Affordable Housing Program (421-a or the program), also known as the Affordable New York Housing Program, is overseen by the New York City Department of Housing Preservation and Development (NYC HPD). NYC HPD designed 421-a to leverage and incentivize developers to include affordable units in newly constructed multifamily housing, increasing affordable housing stock. The program mandates that 25 – 30 percent of units are within various affordable AMI bands between 40 and 130 percent of AMI, as determined by NYC HPD. These units also have affordability requirements for 35 years, adding to their sustainability. A crucial element of 421-a is its flexibility and affordability among AMI levels, as well as its responsiveness to the limited inventory and the high cost of rent in NYC. During the evaluation period, the bank originated 45 loans totaling \$245 million through the program.

- Family Homelessness and Eviction Prevention Supplement (FHEPS)

FHEPS is a rent supplement for families with children who receive Cash Assistance (federally funded assistance for low-income individuals and households under the Temporary Aid to Needy Families Program), have been evicted or are facing eviction, who lost their housing due to a domestic violence situation, or who have lost their housing because of health or safety issues. Formerly known as the Family Eviction Prevention Supplement, the program has been expanded to include survivors of domestic violence and their children. Households must be eligible for and receiving Cash Assistance, and the household must contain at least one child under 18 years old, or child 18 years old but is a full-time student regularly attending a secondary school, or similar level of vocational or technical training, or a pregnant individual. Through VNB's CRE lending in NYC, three multifamily loans totaling \$16.7 million were made to projects utilizing FHEPS, contributing to the creation of 52 affordable housing units.

- Council on Affordable Housing (COAH)

COAH is an agency of the government of NJ within the NJ Department of Community Affairs that is responsible for ensuring that all NJ municipalities provided their fair share of LMI housing. It was created in 1985 when the NJ Legislature passed the Fair Housing Act, which codified the affordable housing obligations of municipalities and created a state agency called the COAH compliance oversight. Through VNB's CRE lending in NJ, nine multifamily loans totaling \$44 million were made to projects utilizing COAH, contributing to the creation of over 200 affordable housing units.

- Federal Home Loan Bank (FHLB) of New York (NY) Affordable Housing Program (AHP)

Funds for this program are awarded to its members who submit applications on behalf of project sponsors who are planning to purchase, rehabilitate, or construct affordable homes or apartments. Requirements of the program include affordable rental housing with at least 20 percent of the project's occupants earning 50 percent or less of the AMI and owner-occupied housing. Households earning 80 percent or less of the AMI are required for application and long-term project monitoring. During the evaluation period, the bank funded 1,274 AHP loans totaling \$15.1 million.

- FHLB of NY Small Business Recovery Grant Program (SBRG)  
The SBRG program provides flexible funds to benefit small-businesses and non-profits in the FHLB NY members' communities in New York and New Jersey. VNB staff reached out to area non-profits informing them of the opportunities and assisting them through the application process. During the evaluation period, VNB assisted with 12 loans totaling \$100,000.
- Federal Housing Administration (FHA) Home Mortgage  
The primary function of the FHA is to insure home mortgage loans made by banks and other private lenders. The program has heightened administration requirements. The program is 15- and 30-year fixed-rate mortgages where homebuyer income is limited, and homeownership education is required. During the evaluation period, VNB originated 104 loans totaling \$41.6 million.
- Habitat for Humanity Loan Servicing  
VNB supports Habitat affiliates by servicing Habitat loans made with other financial institutions for five New Jersey Habitats. During the evaluation period, VNB serviced 114 loans totaling \$8.6 million.
- HMFA: Police and Firemen  
This is a 15- or 30-year fixed-rate home mortgage program for home purchases only for members of New Jersey's Police and Fireman's Retirement system in New Jersey. VNB navigates applications through NJ HMFA for final approval. The program has property size restrictions, and one unit of the two-family homes must be available for occupancy. During the evaluation period, VNB originated 29 loans totaling \$13.4 million.
- Homebuyer Dream Program (HDP)  
This home mortgage loan program administered by the Federal Home Loan Bank of New York, offers down payment and closing cost assistance to eligible first-time homebuyers. Member institutions of the FHLB of New York, can provide access to these funds, which are available to qualified borrowers across all U.S. States and territories. The program provides assistance of up to \$30,000 to support home purchase affordability. During the evaluation period, the bank funded 105 grants totaling \$1.1 million.
- Homebuyer Dream Program (HDP) Plus  
Introduced in 2024 by the Federal Home Loan Bank of New York, expands homeownership assistance to households earning between 80 and 120 percent of the AMI. Designed as a complement to the existing Homebuyer Dream Program, which serves first-time buyers earning at or below 80 percent of AMI, HDP Plus targets moderate-income households. The program is available exclusively to first-time homebuyers in New York, New Jersey, Puerto Rico, and the U.S. Virgin Islands. During the evaluation period, the bank funded 95 grants totaling \$95,500.
- Home One Mortgage  
This is a Freddie Mac home mortgage loan program for 15-, 20-, and 30-year fixed-rate loans for purchase, rate, and term refinancing. At least one borrower on the loan must have a usable credit score and at least one borrower must be a first-time homebuyer and for long term stability, at least one borrower must participate in a homeownership education program. During the evaluation period, VNB originated seven loans totaling \$2.4 million.

- Home Possible Mortgage

This is a Federal Home Loan Mortgage Corporation, also known as Freddie Mac, homeowner's home mortgage loan program with 15-, 20-, and 30-year fixed-rate terms for purchase, rate and term refinancing. Homebuyers must meet county income limits, and homebuyer counseling is required for first-time homebuyers. During the evaluation period, VNB originated 13 loans totaling \$2.5 million.

- HomeReady™ Fixed Rate Mortgage

This program is designed for home mortgage loans for homebuyers to have access to one of Fannie Mae's innovative mortgage solutions. The program is for 10-, 15-, 20-, or 30-year mortgages. Homebuyers must meet Federal National Mortgage Association (FNMA) county income limits and complete homeownership education. Non-occupied co-borrowers are permitted, and income is considered as part of qualifying income. During the evaluation period VNB originated 57 loans totaling \$12.9 million.

- New Jersey Community Capital (NJCC) Statewide Down Payment Assistance Program

This program is an affordable housing initiative offers a comprehensive homeownership platform designed to support LMI families and individuals. The program provides down payment assistance to help expand access to sustainable homeownership opportunities in New Jersey. VNB funded 14 grants totaling \$238,000.

- Small Business Administration (SBA) 7(a) Loans

VNB is a preferred Small Business Administration (SBA) lender managing complex loan programs to provide financial assistance for businesses with special requirements. During the evaluation period, VNB originated 140 loans totaling \$142.1 million.

- SBA 504 Loans

VNB provides affordable financing options for small business owners seeking to invest in owner-occupied commercial real estate, equipment, or machinery to support business expansion. The program offers long term repayment terms of up to 25 years, depending on the purposes of the loan, and fixed interest rates designed to promote stability and sustainable growth. During the evaluation period, VNB originated 50 loans totaling \$71.1 million.

- Small Business EZ Line

VNB provides a line of credit ranging from \$5,000 to \$500,000 to meet short terms working capital needs and providing an alternative to overdraft protection. The product features flexible terms, including negotiable pricing and waives personal guarantee requirements for not-for-profit organizations. During the evaluation period, VNB originated 165 loans totaling \$29.5 million.

- SONYMA Achieving the Dream and Low-Interest Rate Program

This 20-, 25-, or 30-year fixed-rate home mortgage loan program is for qualified first-time homebuyers and eligible military veterans in New York State. The program waives first-time homebuyer requirements and waives certain requirements if the property is located in a Federally Designated Target Area. The program provides up to 97 percent financing and down payment assistance for first-time homebuyers and eligible veterans. Homebuyers must meet 80 percent of

SONYMA's AMI and there are purchase price limits. Lastly, homebuyer counseling is required. During the evaluation period, VNB originated 6 loans totaling \$2.9 million.

- [U.S. Department of Agriculture \(USDA\)](#)

This home mortgage program is designed for LMI borrowers in rural areas and applicable USDA designated areas in NJ, FL, downstate NY, and eastern PA. Program affordability includes 100 percent LTV and fixed payments. During the evaluation period, VNB originated five loans totaling \$809,000.

- [Veteran Administration Home Loans](#)

This home mortgage loan program is for military veterans or National Guard eligible veterans, service members, and surviving spouses. The program is a 30-year fixed-rate mortgage, no PMI and low-down payment options. During the evaluation period, VNB originated 26 loans totaling \$9.2 million.

- [Alabama Step Up Program](#)

Homeownership program designed to assist moderate-income homebuyers who qualify for a mortgage but require support for down payment costs. The program is available for the purchase of both new and existing homes in Alabama and provides down payment assistance equal to up to 4 percent of the sales price, with a maximum benefit of \$10,000. Eligibility is limited to borrowers with annual incomes below \$159,200, irrespective of household size or property location. During the evaluation period, VNB originated two loans totaling \$268,000.

- [HFA Preferred Heros Loan / FHA Florida First Loan](#)

The program offered through the Florida Housing Finance Corporation, provides a 30-year fixed rates mortgage to eligible first-time homebuyers at below market interest rates. The product features reduced upfront costs, with no origination or discount points, and includes down payment and closing cost assistance structured as a zero percent, non-amortizing, 30-year deferred second mortgage. During the evaluation period, VNB originated eight loans totaling \$2.4 million.

## Lending in Assessment Area

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

The bank originated and purchased 25.3 percent of its total loans inside the bank's AAs during the evaluation period. This analysis is performed at the bank, rather than the AA level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria.

Table 1: Lending Inside and Outside of the Assessment Area										2022 - 2024		
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)		
	Inside		Outside			Inside	Outside					
	#	%	#	%								
Home Mortgage	9,639	82.1	2,106	17.9	11,745	6,330,866	71.5	2,523,408	28.5	8,854,274		
Small Business	26,606	20.2	104,784	79.8	131,390	1,224,149	47.8	1,336,630	52.2	2,560,779		
<b>Total</b>	<b>36,245</b>	<b>25.3</b>	<b>106,890</b>	<b>74.7</b>	<b>143,135</b>	<b>7,555,015</b>	<b>66.2</b>	<b>3,860,038</b>	<b>33.8</b>	<b>11,415,053</b>		

Source: 1/1/2022 - 12/31/2024 Bank Data.  
Due to rounding, totals may not equal 100%

A nationwide lending program utilized by the bank during the evaluation period affected the ratio of loans inside the bank's AAs. Agile Premium Finance (Agile), formerly a division of VNB, was sold in

February 2024. Agile specialized in offering loans to businesses nationwide to finance their commercial insurance premiums over time. From 2022 until its sale in 2024, VNB, through Agile, originated approximately 114,000 loans, with 20,000 of these located within the bank's AAs. Approximately 95 percent of these loans were \$100,000 or less, and nearly all were \$1 million or less, qualifying them as small loans to businesses under the CRA.

Home mortgage and small loans to businesses are the bank's primary products based on volume of loans by number. Conclusions are factored into the overall analysis of the geographic distribution of lending by income level. Lending inside and outside of the AAs had a neutral impact on the geographical distribution of loan ratings throughout the evaluation period.

## Description of Institution

VNB is a national banking association chartered in 1927, and the principal subsidiary of Valley National Bancorp (VNBC) headquartered in Morristown, New Jersey. The principal executive office of VNBC is located in New York, New York. VNB completed the relocation of its New Jersey headquarters from Wayne to Morristown in the summer of 2023. VNB is a regional bank with more than 220 locations across six states. In addition to VNB, VNBC owns six non-banking subsidiaries, including (i) four statutory capital trusts incorporated in Wilmington, Delaware for the sole purpose of issuing trust preferred securities and related trust common securities, (ii) an advisory firm specializing in the investment and management of tax credits located in Phoenix, Arizona, and (iii) a venture lending company formed in Wilmington, Delaware.

VNB offers a full suite of banking services through various commercial, private banking, retail, insurance, and wealth management financial services products. The bank's products and services include traditional consumer and commercial deposit and lending products, commercial real estate financing, asset-based loans, small business loans, equipment financing, insurance and wealth management, and personal financing, such as residential mortgages, home equity loans and automobile financing. VNB also offers niche financial services, including loan and deposit products for homeowners' associations, healthcare business banking and venture banking, which it offers nationally.

As of December 31, 2024, VNB operated a total of 229 branch locations, made up of 226 traditional bank branches – including a recent opening in Los Angeles County – and three corporate branch offices resulting from the acquisition of Bank Leumi USA on April 1, 2022, which did not have a retail presence. The bank's traditional branches serve northern and central New Jersey, New York City, Westchester, Long Island, Florida, Alabama, and Los Angeles. On August 19, 2024, VNB opened a full-service retail branch in Los Angeles County and added a new assessment and rating area. However, due to the limited data and operations of the new branch, it will not be reviewed during the evaluation period, as there is not enough information to draw a meaningful conclusion.

In addition to expanding its retail footprint, VNB also broadened its commercial banking presence following the acquisition of Bank Leumi USA, adding offices in Chicago, Illinois (Cook County), East Palo Alto, California (San Mateo County), and Los Angeles, California (Los Angeles County). This acquisition enabled VNB to enhance its product and service offerings to include private banking, broker-dealer services, and technology banking.

As of December 31, 2024, VNB had \$62.4 billion in assets, loans and leases of \$48.8 billion, total deposits of \$50.4 billion, and tier 1 capital of \$6 billion. The bank's loan portfolio consisted of 73.5

percent real estate, 16.9 percent commercial and industrial loans, 5.6 percent consumer loans, and 4 percent in other loans.

There were no known legal, financial, or other factors impeding the bank's ability to help meet the credit needs of its AAs. The bank received an "Outstanding" rating in its previous CRA evaluation dated June 6, 2022.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

VNB's evaluation period is January 1, 2022, through December 31, 2024. The OCC used this evaluation period to conduct analysis and form conclusions for the entirety of all performance tests associated with this evaluation. For the HMDA analysis and conclusions, for lending activity, geographical distribution, and borrower distribution the OCC consolidated the bank's home purchase, home refinance, home improvement, and multifamily loans. The OCC concluded on all home mortgage and small loans to businesses that met the definition of a primary loan product in the bank's respective AAs. To be considered a primary loan product there must have been at least 20 loan originations for a specific loan product within a respective AA throughout the evaluation period. The bank did not originate any small farm loans throughout the evaluation period; therefore, they were not part of the analysis or considered in rating conclusions.

### Selection of Areas for Full-Scope Review

In each state where the bank has an office, one or more AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated AAs located within the same metropolitan statistical area (MSA), MMSA, or combined statistical area (CSA), if applicable 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 section 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.

The MMSA and state ratings in rating areas with a single AA are based on performance in that AA. The MMSA and state ratings in rating areas with multiple AAs are based on the combination of conclusions in those AAs. Refer to the "Scope" section under each MMSA and State Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

The NY-NJ MMSA rating area carried the greatest weight in the conclusions because it represented the bank's most significant market in terms of deposit concentration, branch distribution, and reportable loans. As of June 30, 2024, deposits in this rating area comprised 75 percent of VNB's total deposits. Additionally, 54 percent of loan originations and 69.1 percent of dollar volume of all home mortgage and small loans to businesses, were generated in this rating area. At the end of the evaluation period, the bank had 73.3 percent of its branches in this rating area.

Under the Lending Test, the OCC considered the weighting of both the number and dollar volume of loans to determine the weighting of loan products. The number of small loans to businesses represented 73.4 percent of the total number of loans compared to home mortgages representing 26.6 percent of total loans. However, when comparing the dollar amount of loans, home mortgages represented 83.8 percent of the total dollar amount of loans versus the total dollar amount of small loans to businesses representing 16.2 percent of total loans. Therefore, the OCC weighted home mortgages and small loans to businesses products equally. The loan product weighting was calculated equally for each rating area, and those weights were applied to each AA within the rating area.

When conducting quantitative analysis of CD loans and qualified investments, the OCC compares the proportion of these loans and investments to the tier 1 capital allocated to each bank's AA. Typically, the OCC uses the tier 1 capital figure at the end of the evaluation period to determine the allocation for each AA. A higher proportion of bank CD loans and qualified investments relative to tier 1 capital indicates better performance in the quantitative aspects of these activities. During the evaluation period, the bank's tier 1 capital increased by 40 percent, primarily due to the acquisition of Bank Leumi USA and strategic common and preferred equity raises, including a significant capital raise in the fourth quarter of 2024 that increased tier 1 capital by 10 percent. An increase in tier 1 capital reduces the proportion of CD loans and qualified investments relative to tier 1 capital. When assessing the bank's quantitative performance in CD loans and qualified investments, the OCC considered the notable increase in tier 1 capital during the last quarter of the evaluation period. For the Investment Test, greater emphasis was placed on the level of current period investments and their responsiveness to community needs.

Under the Service Test, primary consideration was given to VNB's performance in delivering retail products and services to geographies and individuals of different income levels through the bank's distribution of branches. The OCC focused the analysis of retail branches on the current distribution of the bank's branches in LMI geographies. The analysis of the distribution of the bank's retail branches was based on locations as of December 31, 2024. Income category classifications were based on the 2020 Census.

In the full-scope AAs, examiners gave consideration for branches located in middle- or upper-income (MUI) geographies that served customers in LMI geographies and improved accessibility. VNB provided internal data to support MUI branches that are being used by customers residing in LMI geographies. VNB collected deposit transaction data and used customer address as a proxy to determine LMI status. MUI branches with majority of their transactions conducted by customers residing in LMI geographies were presented for consideration. Positive consideration was given to these MUI branches providing increased access to retail banking services for customers in LMI geographies. Consideration was given to each MUI branch only once.

The OCC evaluated the range of products and services offered by all the bank's branches. The OCC specifically focused on any differences in branch hours, products, and services provided in LMI geographies compared to those provided in MUI geographies.

The bank's record of providing CD services was evaluated in AAs that received full-scope reviews. Examiners primarily considered the responsiveness to community needs. Services that addressed critical needs, demonstrated significant impact, or reflected ongoing relationships with organizations received the most consideration in this analysis.

Limited-scope procedures focused primarily on quantitative data, with consideration of qualitative data generally limited to demographic and competitive factors. Performance in limited-scope AAs was considered as stronger than, weaker than, or consistent with overall performance in full-scope AAs within the rating area. Based on these conclusions, there was a positive, negative, or neutral impact on the state rating.

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

Pursuant to 12 CFR 25.28(c) (March 29, 2024) in determining a national banks 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 assessment area 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 (HUD), and the Consumer Financial Protection Bureau, 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.

## Multistate Metropolitan Statistical Area Rating

### New York – New Jersey MMSA

**CRA rating for the NY-NJ MMSA<sup>1</sup>:** Outstanding

**The Lending Test is rated:** Outstanding

**The Investment Test is rated:** High Satisfactory

**The Service Test is rated:** High Satisfactory

The major factors that support this rating include:

- An excellent level of lending activity;
- An excellent geographic distribution of home mortgage loans and small loans to businesses;
- A good borrower distribution of home mortgage loans and small loans to businesses;
- An excellent level of CD loans that had a positive impact in the lending test conclusion;
- The extensive use of innovative and/or flexible lending practices to serve AA credit needs;
- A significant level of qualified investments, including grants, with excellent responsiveness to credit and community development needs;
- Retail service delivery systems that are accessible to geographies and individuals of different income levels in the bank's AA; and
- A relatively high level of CD services that are responsive to AA needs.

### Description of Institution's Operations in NY-NJ MMSA

The NY-NJ MMSA represented VNB's largest rating area out of four rating areas in terms of deposits, loans, and branches. As of December 31, 2024, the bank delineated four AAs comprised of four metropolitan divisions (MDs), which the OCC combined for analysis as the NY-NJ MMSA. These AAs include New York-Jersey City-White Plains, NY-NJ MD consisting of the counties of Bronx, New York, Queens, Kings and Westchester in NY, and Bergen, Hudson, and Passaic, in NJ; Newark, NJ MD comprised of Essex, Morris, Sussex, and Union counties in NJ; Lakewood-New Brunswick, NJ MD consisting of Middlesex, Monmouth, and Somerset counties in NJ; and Nassau County-Suffolk County, NY MD in its entirety. The AA met the requirements of the regulation and do not arbitrarily exclude any LMI geographies. Please refer to appendix A for a complete listing of AAs, including the type of review and description of AA boundaries. VNB offers a full range of loan and deposit products and services through the 165 full-service branches and 171 deposit-taking ATMs located in the AA.

According to the June 30, 2024, FDIC Market Share Report, VNB held \$37.7 billion in deposits in the MMSA, ranking 10<sup>th</sup> out of 149 institutions and representing 75 percent of total bank-wide deposits.

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<sup>1</sup> MMSA ratings reflect performance within the MMSA. Statewide evaluations do not reflect performance in the parts of those states contained within the MMSA.

During the evaluation period, VNB originated 6,724 home mortgages and 12,830 small loans to businesses in this AA, representing 69.7 percent and 48.2 percent of its home mortgages and small loans to businesses inside the bank's AAs, respectively. The dollar volume of home mortgages and small loans to businesses in this AA accounted for 72 percent and 54.2 percent of VNB's loan volume within its AAs, respectively.

## **Employment and Economic Factors**

Based on information from the November 2024 Moody's Analytics report, the NY-NJ MMSA has outperformed broader national and regional trends over the past three years, driven primarily by significant employment gains in the healthcare sector. In contrast, sectors outside of healthcare particularly those reliant on office-based operations have experienced modest employment declines during the same period. The area's elevated cost of operating remains a challenge, contributing to a gradual shift of high wage roles toward more cost-effective regions outside of the NY-NJ MMSA.

The unemployment rate for the NY-NJ MMSA declined from 6.4 to 1.4 percent during the evaluation period, which was below the national average of 3.7 percent. Key economic drivers for the area include medical centers, status as a prominent financial center, and its appeal as a tourist destination-two of which were heavily impacted by the COVID-19 pandemic. The population has increased slightly over the period, with a cumulative growth of approximately 0.1 percent. Similarly, the FHA house price index has increased by 24.5 percent, contributing to reduced housing affordability for LMI borrowers. The top five non-public employers in the area are JPMorgan Chase, NY-Presbyterian Healthcare System, Mount Sinai Health System, NYC Health Affiliated Hospitals, and Montefiore Health System.

## **Housing**

Based on the information from the 2020 U.S. Census, 45.2 percent of the total housing units in the NY-NJ MMSA were owner-occupied, 46.4 percent were renter occupied, and 8.4 percent were vacant units. Of all owner-occupied units, 2.8 percent were in low-income CTs, and 13.9 percent were in moderate-income CTs. Of all occupied rental units, 19.2 percent were in low-income CTs, and 28 percent were in moderate-income CTs. Of all vacant units, 9 percent were in low-income CTs, and 21 percent were in moderate-income CTs. The median housing value was \$475,000 and the median gross rent was \$1,534.

## **Affordability**

Based on data from the 2020 U.S. Census, low-income families within the NY-NJ MMSA earned between \$3,562 and \$5,429 monthly, while moderate-income families earned between \$5,699 and \$8,687. The maximum low-income and maximum moderate-income annual income calculations are based on 50 percent and 80 percent of the FFIEC adjusted median family income for the AA. One method used to determine housing affordability assumed a maximum monthly principal and interest payment of no more than 30 percent of the applicant's income. This calculation resulted in a monthly mortgage payment between \$1,069 and \$1,629 for low-income borrowers and \$1,710 and \$2,606 for moderate-income borrowers. Assuming a 30-year mortgage with a 6 percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the NY-NJ MMSA median housing value would be \$2,848. LMI borrowers would be severely challenged to afford a mortgage loan within the AA.

## Community Contact

As part of the CRA evaluation, the OCC reviewed information from 15 community contacts performed during the evaluation period. The community contacts primarily represented affordable housing and community services organizations. Community stakeholders consistently identified the limited availability of affordable housing options for LMI families as a persistent regional challenge. In particular, barriers to homeownership were amplified by insufficient down payment support mechanisms and limited engagement by community and midsize banks in delivering tailored mortgage products. From a small business lending perspective, stakeholders noted that current underwriting models remain overly reliant on traditional documentation and collateral requirements, which often exclude microbusinesses and sole proprietorships. There is a communal call for banks to adapt credit evaluation frameworks to better accommodate smaller scale “mom & pop” businesses that lack extensive assets or formal business history but demonstrate community presence and economic viability.

Assessment Area(s) - New York-Newark-Jersey City, NY-NJ MMSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	2022 - 2024 NA* % of #
<b>Geographies (CTs)</b>	4,523	10.4	21.5	33.2	30.9	4.1
<b>Population by Geography</b>	18,384,015	11.5	22.3	32.7	32.6	1.0
<b>Housing Units by Geography</b>	7,055,897	11.0	21.1	32.2	34.9	0.9
<b>Owner-Occupied Housing by Geography</b>	3,187,895	2.8	13.9	38.0	44.8	0.4
<b>Occupied Rental Units by Geography</b>	3,274,581	19.2	28.0	26.8	24.6	1.3
<b>Vacant Units by Geography</b>	593,421	9.0	21.0	30.2	38.6	1.3
<b>Businesses by Geography</b>	971,330	7.8	17.1	30.3	42.1	2.6
<b>Farms by Geography</b>	15,106	4.6	15.9	35.3	43.2	1.0
<b>Family Distribution by Income Level</b>	4,213,145	24.8	15.8	17.7	41.7	0.0
<b>Household Distribution by Income Level</b>	6,462,476	27.4	14.2	15.7	42.8	0.0
<b>Unemployment rate (%)</b>	5.9	10.6	6.9	5.5	4.4	8.6
<b>Households Below Poverty Level (%)</b>	12.9	33.6	18.0	9.3	6.1	23.8
<b>Median Family Income (29484 - Lakewood-New Brunswick, NJ MD)</b>	\$113,495			<b>Median Housing Value</b>	\$475,000	
<b>Median Family Income (35004 - Nassau County-Suffolk County, NY MD)</b>	\$130,301			<b>Median Gross Rent</b>	\$1,534	
<b>Median Family Income (35084 - Newark, NJ MD)</b>	\$107,827			<b>Families Below Poverty Level</b>	9.6	
<b>Median Family Income (35614 - New York-Jersey City-White Plains, NY-NJ MD)</b>	\$85,483					
<b>Median Family Income (29484 - Lakewood-New Brunswick, NJ MD) for 2024</b>	\$135,900					
<b>Median Family Income (35004 - Nassau County-Suffolk County, NY MD) for 2024</b>	\$156,200					
<b>Median Family Income (35084 - Newark, NJ MD) for 2024</b>	\$133,300					
<b>Median Family Income (35614 - New York-Jersey City-White Plains, NY-NJ MD) for 2024</b>	\$101,900					
FFIEC File - 2020 Census						
FFIEC File - 2024 Census						
2024 Dun & Bradstreet SBSF Demographics						
Due to rounding, totals may not equal 100%						
(*) The NA category consists of geographies that have not been assigned an income classification						

## Scope of Evaluation in NY-NJ MMSA

The NY-NJ MMSA was selected for full scope procedures as it is the only AA within this rating area. The rating is based on the results of the full-scope area (refer to appendix A for a list of all AAs).

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NY-NJ MMSA

### LENDING TEST

The bank's performance under the Lending Test in the NY-NJ MMSA is rated Outstanding.

Based on a full-scope review, the bank's performance in the NY-NJ MMSA was excellent.

## Lending Activity

Lending levels reflected excellent responsiveness to AA credit needs.

Table 3: Lending Activity							2022 - 2024
<b>Number of Loans</b>							
<b>Assessment Area</b>	<b>Home Mortgage</b>	<b>Small Business</b>	<b>Community Development</b>	<b>Total</b>	<b>% Rating Area Loans</b>	<b>% Rating Area Deposits</b>	
NY-NJ MMSA	6,724	12,830	216	19,770	99.9	100.0	
Broader Statewide or Regional	0	0	23	23	0.1	0.0	
<b>Total</b>	<b>6,724</b>	<b>12,830</b>	<b>239</b>	<b>19,793</b>	<b>100.0</b>	<b>100.0</b>	
<b>Dollar Volume of Loans (\$000s)</b>							
<b>Assessment Area</b>	<b>Home Mortgage</b>	<b>Small Business</b>	<b>Community Development</b>	<b>Total</b>	<b>% Rating Area Loans</b>	<b>% Rating Area Deposits</b>	
NY-NJ MMSA	4,556,476	663,734	1,699,926	6,920,136	97.8	100.0	
Broader Statewide or Regional	0	0	156,306	156,306	2.2	0.0	
<b>Total</b>	<b>4,556,476</b>	<b>663,734</b>	<b>1,856,232</b>	<b>7,076,442</b>	<b>100.0</b>	<b>100.0</b>	
<i>Source: 1/1/2022 - 12/31/2024 Bank Data.</i>							
<i>Due to rounding, totals may not equal 100%.</i>							

The bank's deposit market share ranked in the top 6.7 percent. The top five banks by deposit market share were JP Morgan Chase Bank, N.A., Goldman Sachs Bank USA, The Bank of New York Mellon, Morgan Stanley Private Bank, N.A., and Bank of America, N.A. These five banks had a combined deposit market share of 64.9 percent.

According to 2023 peer mortgage data, VNB had a 0.9 percent market share of home mortgage originations. VNB's market share of home mortgage originations was weaker than its deposit market share. VNB's mortgage originations ranked 25<sup>th</sup> out of 748 home mortgage lenders. The bank's market share ranking of home mortgage loan originations, relative to all home mortgage lenders, was in the top 3.3 percent. VNB's market share ranking of home mortgage loan originations was stronger than its deposit market share. The top five home mortgage lenders by number of loans and market share were JP Morgan Chase Bank, N.A., TD Bank, N.A., CBNA, United Wholesale Mortgage, and Citi Bank, N.A. These five lenders had a combined home mortgage loan market share of 30.5 percent.

According to 2023 peer small business lending data, VNB held a 0.7 percent market share of small business loan originations, which was lower than its deposit market share. However, despite the modest market share, VNB ranked 12th out of 328 lenders, placing it in the top 3.7 percent of all small business loan originators. This ranking was stronger than the bank's deposit market share ranking. The small business lending market is highly concentrated, with the top five lenders—American Express National

Bank, JP Morgan Chase Bank, N.A., Bank of America, N.A., Capital One, N.A., and Citi Bank, N.A.—accounting for a combined 78.9 percent of total market share.

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

The bank exhibited an excellent geographic distribution of loans in its AA.

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

Refer to Table 7 in the MMSA 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 was excellent. The bank's percentage of home mortgage loans in low-income geographies exceeded the percentage of owner-occupied homes in those geographies and was near to the aggregate distribution of loans. The percentage of home mortgage loans in moderate-income geographies was near to the percentage of owner-occupied homes in those geographies and the aggregate distribution of loans.

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

Refer to Table 9 in the MMSA 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. The bank's percentage of small loans to businesses in low-income geographies exceeded the percentage of businesses in those geographies and the aggregate distribution of loans. The percentage of small loans to businesses in moderate-income geographies exceeded the percentage of businesses in those geographies and the aggregate distribution of loans.

### ***Lending Gap Analysis***

Examiners reviewed summary reports and maps and analyzed home mortgage and small business lending activity to identify any gaps in the geographic distribution of loans in all full-scope AAs. Examiners did not identify any unexplained conspicuous gaps in any of the areas they reviewed.

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

The bank exhibited a good distribution of loans among individuals of different income levels and business and farms of different sizes.

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

Refer to Table 8 in the MMSA section of appendix D for the facts and data used to evaluate the borrower distribution of the institution's home mortgage loan originations and purchases.

The distribution of home mortgage loans was good. The bank's percentage of home mortgage loans to low-income borrowers was significantly below the percentage of low-income families, but was equal to the aggregate distribution of loans. The bank's percentage of home mortgage loans to moderate-income borrowers exceeded the percentage of moderate-income families and the aggregate distribution of loans.

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

Refer to Table 10 in the MMSA section of appendix D for the facts and data used to evaluate the borrower distribution of the institution's originations and purchases of small loans to businesses.

The distribution of loans to businesses of different sizes was good. The bank's percentage of small loans to businesses with revenues of \$1 million or less was below the percentage of businesses with gross annual revenues of \$1 million or less but exceeded the aggregate distribution of small loans to businesses.

### **Community Development Lending**

The institution was a leader in making CD loans. CD lending had a positive impact on the Lending Test conclusion in the NY-NJ MMSA.

Refer to Table 3 in the Lending Activity section for the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

During the evaluation period, VNB originated 216 CD loans totaling \$1.7 billion. The volume of CD loans is equivalent to 36.3 percent of allocated tier 1 capital. The bank's CD loans were particularly responsive to community services and affordable housing. By dollar volume, \$835.2 million (49.1 percent) funded community services targeted to LMI individuals, \$678.6 million (40 percent) funded affordable housing, \$184 million (10.8 percent) funded revitalization and stabilization efforts in LMI geographies, and \$2.2 million (0.1 percent) supported economic development activities.

The following are examples of CD loans the bank originated in the NY-NJ MMSA:

- During the evaluation period, the bank originated commercial mortgages and renewable Lines of Credit (LOC) totaling \$51.5 million to a nonprofit organization that provides educational, residential, and employment services to LMI children and adults with developmental and learning disabilities. The financings assisted in the purchase of individual residential alternative group homes and provided working capital for the organization.
- The bank extended a \$24.5 million commercial loan to finance the construction of a seven-story development containing 92 affordable residential units in a low-income CT within the AA.
- The bank originated an \$11 million loan to renovate a five-story multifamily building located in a low-income census providing 29 affordable housing units designated for the homeless population within the AA.

### Broader Statewide Regional CD lending (New York and New Jersey)

Because VNB was responsive to community development needs and opportunities in its AA, examiners considered CD loans in the broader statewide and regional areas that include the bank's AA, but do not have a purpose, mandate, or function to specifically serve the AA. CD lending in the broader statewide area consisted of 23 CD loans totaling \$156.3 million. These CD loans were responsive to affordable housing and community service needs of the areas. By dollar volume, \$85.5 million (54.7 percent)

funded community service targeted to LMI individuals and \$70.8 million (45.3 percent) funded affordable housing. These CD loans had a neutral impact and supported the Lending Test conclusion for NY-NJ MMSA.

## Product Innovation and Flexibility

The institution made extensive use of innovative and/or flexible lending practices in order to serve AA credit needs. Refer to the “Other Factors Considered in our Analysis under Performance Tests” section for additional details regarding home mortgage and small business lending programs. During the evaluation period, VNB participated in the following programs:

- Community Advantage Home Mortgage – originated 421 loans totaling \$122 million;
- Community Plus Home Mortgage – originated 355 loans totaling \$193 million;
- Community Advantage Refinance – originated six loans totaling \$1.3 million;
- Community Home Equity Credit Line – originated 10 loans totaling \$882,750;
- Community Small Business Lending – originated 1,018 loans totaling \$27 million;
- Co-Op Mortgage – originated 128 loans totaling \$28.9 million;
- Home Possible Mortgage – originated three loans totaling \$648,000;
- Home One Mortgage – originated two loans totaling \$1.1 million;
- Home Ready Fixed Rate Mortgage – originated 24 loans totaling \$6.2 million;
- SONYMA Achieving the Dream & Low I.R. Program – originated five loans totaling \$2.5 million;
- FHA Home Mortgage – originated 48 loans totaling \$25.2 million;
- Veteran’s Administration (VA) Home Mortgage – originated two loans totaling \$992,650;
- HMFA NJ Police and Fireman Home Mortgage – originated 28 loans totaling \$13 million;
- SBA 7A – originated 30 loans totaling \$19.8 million;
- Small Business EZ Line of Credit - originated 151 loans totaling \$25.7 million;
- NYC 421-a - originated 45 loans totaling \$245 million;
- FHELPS – originated three loans totaling \$16.7 million; and
- COAH – originated nine loans totaling \$44 million.

## INVESTMENT TEST

The institution’s performance under the Investment Test in NY-NJ MMSA is rated High Satisfactory.

Based on a full-scope review, the institution’s performance in the NY-NJ MMSA is good.

The institution had a significant level of qualified investments, including grants, occasionally in a leadership position, particularly those that are not routinely provided by private investors.

The institution exhibited excellent responsiveness to credit and community economic development needs. The institutions occasionally uses innovative and/or complex investments to support CD initiatives.

## Number and Amount of Qualified Investments

Table 4: Qualified Investments										2022-2024
Assessment Area	Prior Period		Current Period		Total				Unfunded Commitments	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
NY-NJ MMSA	123	206,453	912	121,294	1,035	95.9	327,747	99.1	0	0
Broader Statewide or Regional Area	1	2,000	43	906	44	4.1	2,906	0.9	0	0
<b>Total</b>	<b>124</b>	<b>208,453</b>	<b>955</b>	<b>122,200</b>	<b>1,079</b>	<b>100.0</b>	<b>330,653</b>	<b>100.0</b>	<b>0</b>	<b>0</b>

The dollar volume of current- and prior-period investments represented 7 percent of allocated tier 1 capital. VNB had 1,035 qualified investments and grants in the AA totaling \$327.8 million. Of these qualified investments and grants, \$295 million (90 percent) were related to affordable housing, \$21.3 million (6.5 percent) supported revitalization and stabilization efforts in LMI geographies, \$7.5 million (2.3 percent) supported community services targeted to LMI individuals, and \$4 million (1.2 percent) supported economic development activities.

The following are examples of qualified investments in the MMSA:

- During the evaluation period, the bank purchased 30 mortgage-backed securities (MBS) totaling \$88.1 million that are backed by CRA-eligible residential mortgages for LMI borrowers within the MMSA.
- During the evaluation period, the bank invested \$2.5 million in a CRA focused equity investment fund with the primary purpose of community development. The fund created or maintained more than 700 affordable housing units within the MMSA.
- The bank provided three grants totaling \$180,000 to an organization whose mission is to improve the quality of life for LMI individuals by addressing economic, educational, and social needs while preserving the cultural and ethnic diversity of the area. The organization provides community impact programs including community kitchen/food pantry and recovery and reentry program to support those suffering with addiction as well as those reentering society from incarceration.

### Broader Statewide Regional Qualified Investments (New York and New Jersey)

Because the bank was responsive to community development needs and opportunities in its AA, examiners considered investments in the broader statewide and regional areas that include the bank's AA but do not have a purpose, mandate, or function to specifically serve the AA. These investments totaled \$2.9 million and primarily supported economic development activities within the LMI communities. These investments and grants had a neutral impact and supported the Investment Test conclusion for the NY-NJ MMSA.

## SERVICE TEST

The institution's performance under the Service Test in the NY-NJ MMSA is rated High Satisfactory.

Based on a full-scope review, the institution's performance in the NY-NJ MMSA was good.

## Retail Banking Services

Service delivery systems were accessible to geographies and individuals of different income levels in the institution's AA.

Examiners evaluated the data as outlined in the Scope of Evaluation section including bank-provided data on usage of branches adjacent to LMI geographies by individuals residing in those geographies and the usage of alternative delivery systems.

Table 5: Distribution of Branch Delivery Systems											2022	2024	
Assessment Area	Deposits		Branches						Population				
	% of Rated Area Deposits in AA	# of Bank Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)					% of Population within Each Geography				
				Low	Mod	Mid	Upp	NA	Low	Mod	Mid	Upp	NA
NY-NJ MMSA	100.0	165	100.0	3.0	13.3	32.7	49.7	1.2	11.5	22.3	32.7	32.6	1.0
<b>Total</b>	<b>100.0</b>	<b>165</b>	<b>100.0</b>	<b>3.0</b>	<b>13.3</b>	<b>32.7</b>	<b>49.7</b>	<b>1.2</b>	<b>11.5</b>	<b>22.3</b>	<b>32.7</b>	<b>32.6</b>	<b>1.0</b>

Source: FFIEC File - 2020 Census; 1/1/2022-12/31/2024 Bank Data; Due to rounding, totals may not equal 100%

The bank's distribution of branches in low-income geographies was well below and in moderate-income geographies was below the percentage of the population living within those geographies. VNB had 165 branches in the AA with five branches in low-income CTs and 22 branches in moderate-income CTs. The examiners further considered 26 MUI branches that enhanced access for LMI individuals or geographies within the AA. The proximity of these branches, typically located within 1,000 feet of LMI CTs, was considered in determining MUI branches. Additionally, examiners reviewed the data on accounts held at those MUI branches further than 1,000 feet but within a 0.5-mile radius from LMI CTs and determined that these branches were serving the nearby LMI individuals or geographies. Of the 26 MUI branches, six served customers in low-income geographies, while the remaining 20 catered to customers in moderate-income geographies. The bank's MUI branches had a positive impact on the retail banking services adequate conclusion.

VNB supplements its traditional service delivery methods with alternative delivery systems (ADS), including deposit-taking ATMs, remote check deposit, online and mobile banking, Zelle®, electronic bill-pay, E-statements, text banking alerts, telephone, and online account opening. The bank provided an analysis report of these delivery channels which showed customer usage of these systems in LMI CTs. Based on the data, these channels provided additional delivery availability and access to banking services to LMI retail customers. Approximately 57.4 percent of customers in low-income CTs and 55.7 percent of customers in moderate-income CTs enrolled in online banking, while 45 percent and 39.5 percent used mobile banking, respectively. The bank's ADS had a neutral impact and supported the retail banking services conclusion. The bank had 171 deposit-taking ATMs in the AA, of which 28 are in LMI CTs. The distribution of ATMs is consistent with the branch distributions.

The bank also offered affordable and flexible deposit products and retail services, such as the Valley Journey, Valley Milestone, Valley My Choice, and Valley Nonprofit Organization checking accounts. These products offer combinations of no monthly or overdraft fees, low minimum balances, and free unlimited transactions which addressed LMI community needs.

**Table 6: Distribution of Branch Openings/Closings**

Assessment Area	# of Branch Openings	# of Branch Closings	Branch Openings/Closings				
			Net change in Location of Branches				
			Low	Mod	Mid	Upp	NA
NY-NJ MMSA	3	10	0	0	-4	-2	-1
<b>Total</b>	<b>3</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>-4</b>	<b>-2</b>	<b>-1</b>
<i>1/1/2022 – 12/31/2024 Bank Data.</i>							

To the extent changes have been made, the institution's opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in LMI geographies and/or to LMI individuals. The bank did not open or close any branches in LMI CTs. One middle-income CT branch and one upper-income CT branch were closed during the evaluation period. All branch openings were part of acquisitions or relocations, and the other eight branch closings were the result of consolidation or relocation.

Services, including where appropriate, business hours, did not vary in a way that inconveniences the various portions of its AA, particularly LMI geographies and/or individuals. Generally, branches are open Monday through Friday from 9:00 a.m. to 5:00 p.m. in New York and from 9:00 a.m. to 4:00 p.m. in New Jersey and Saturdays from 9:00 a.m. to 12:00 p.m. in both states. All retail banking services offered are available in LMI geographies.

## Community Development Services

The institution provided a relatively high level of CD services.

CD Services were responsive to community needs throughout the evaluation period. A total of 105 employees held leadership roles, servicing on boards or committees, for 101 CD organizations within the AA, contributing 3,410 hours of service. In addition, over 1,000 VNB employees volunteered a combined 7,842 hours across 195 organizations, supporting initiatives that reached over 516,400 participants. Their efforts focused primarily on community service events, economic development, and affordable housing activity.

Examples of CD services in the MMSA include:

- A senior manager provided 153 service hours as a board member of a school who serves individuals with behavioral disabilities, offering academic instruction along with therapeutic and recreational program. The student population is entirely from low-income households.
- A senior manager provided 108 service hours as a board member to an organization which provides art education and mentorship to youth from LMI families in Union County, fostering creative development and community engagement.
- Ninety-five bank employees contributed over 800 hours to financial education in partnership with a nonprofit organization operating in New York and New Jersey. This organization offers educational programs, including financial literacy and career readiness for K-12 students. The bank's initiative specifically targeted schools serving a majority of LMI students.

## State Rating

### State of Alabama

**CRA rating for the State of Alabama:** Satisfactory

**The Lending Test is rated:** Outstanding

**The Investment Test is rated:** High Satisfactory

**The Service Test is rated:** Low Satisfactory

The major factors that support this rating include:

- An excellent level of lending activity;
- A good geographic distribution of home mortgage loans and small loans to businesses;
- A good borrower distribution of home mortgage loans and small loans to businesses;
- A relatively high level of CD loans that had a positive impact on the lending test conclusion;
- A significant level of qualified investments, including grants, with good responsiveness to credit and community development needs;
- Retail service delivery systems that are reasonably accessible to geographies and individuals of different income levels in the bank's AAs; and
- A relatively high level of CD services that are responsive to AAs needs.

### Description of Institution's Operations in Alabama

VNB had four AAs in Alabama: Birmingham-Hoover MSA (Birmingham MSA), consisting of the counties of Jefferson, Shelby, and St. Clair; Auburn-Opelika MSA (Auburn MSA), consisting of Lee County; Montgomery MSA, consisting of the counties of Elmore and Montgomery; and AL Non-MSA, consisting of Tallapoosa County. The AAs met the requirements of the regulation and do not arbitrarily exclude any LMI geographies.

The bank operated 16 full-service branches with 16 ATMs. There were six branches located in the Birmingham MSA, six branches located in the Montgomery MSA, three branches in Non-MSA, AL (Tallapoosa County), and one branch in Auburn MSA. Each of these locations offered traditional weekday hours and 15 branches offer drive-thru services. The bank has not opened any new branches or offices in Alabama since the last evaluation. Birmingham MSA represented the core of the bank's business.

According to the FDIC's Deposit Market Share Report as of June 30, 2024, VNB held \$1.4 billion in deposits, ranking 17<sup>th</sup> out of 133 institutions and holding 1 percent market share in Alabama. The five largest competitors in this state include Regions Bank, PNC Bank, Wells Fargo Bank, ServisFirst Bank, and Synovus Bank. These competitors' deposits total \$67.2 billion, representing 48.9 percent of total

deposit market share. VNB's deposits in Alabama represent approximately 2.8 percent of bank-wide deposits.

### Auburn MSA

The Auburn MSA consisted of Lee County. The bank operated one full-service branch with one ATM in this AA. The AA accounted for 0.1 percent of bank-wide deposits and 4 percent of VNB's statewide deposits in the state of Alabama.

### **Employment and Economic Factors**

The U.S. Bureau of Labor Statistics (BLS) report shows the monthly unemployment rate in Auburn as of December 2024 was 2.8 percent, which was below the state of Alabama's unemployment rate of 3.2 percent. The unemployment rate in the Auburn MSA remained consistent at 2.8 percent from January 2022 while the statewide unemployment slightly increased from 3.1 percent.

Based on the December 2024 Moody's Analytics report, the Auburn-Opelika, AL area economy growth has slowed. Auburn's auto-heavy manufacturing industry has been negatively impacted by rising inflation. Modest labor force growth coupled with flat household employment has increased the unemployment rate. However, Auburn-Opelika's economy is projected to rebound in 2025. While many colleges and universities across the U.S. have struggled to increase enrollment, Auburn had another record-breaking year for enrollment, welcoming its largest first-year class ever. Strong university enrollment and a modest turn-around in manufacturing will allow the metro area to outperform the state's overall economic growth and development.

Strengths of the area include presence of Auburn University which helps foster growth of private businesses, well-educated workforce, strong manufacturing industry, and low-cost affordable housing. Weaknesses of the area include overreliance on state government, below-average per capita income, and volatile migration patterns. The top five non-public employers in the area are Auburn University, East Alabama Medical Center, Afni Inc., Mando American Corp., and Walmart Inc.

### **Housing**

Based on the information from the 2020 U.S. Census, 54.8 percent of the total housing units in the AA were owner-occupied, 31.7 percent were renter occupied, and 13.6 percent were vacant units. Of all owner-occupied units, 2.3 percent were in low-income CTs, and 18.1 percent were in moderate-income CTs. Of all occupied rental units, 6.7 percent were in low-income CTs, and 12.8 percent were in moderate-income CTs. Of all vacant units, 5.5 percent were in low-income CTs, and 17.8 percent were in moderate-income CTs. The median housing value was \$149,800 and the median gross rent was \$835.

### **Affordability**

Based on data from the 2020 U.S. Census, low-income families within the Auburn MSA earned \$3,009 monthly, while moderate-income families earned \$4,815. This calculation results in a maximum monthly mortgage payment, based on a 30 percent debt-to-income (DTI) ratio, of \$903 for low-income borrowers and \$1,444 for moderate-income borrowers. Assuming a 30-year mortgage with a 6 percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the AA median housing

value would be \$898. Based on these calculations, LMI borrowers should face minimal challenges in qualifying for a mortgage loan within the AA.

## Community Contact

Examiners utilized four community contacts performed during the evaluation period in this AA, including three local nonprofits and one economic development agency. The contacts expressed a variety of needs throughout the Auburn MSA including improving the availability of affordable housing, providing access to affordable childcare services, support for specialized workforce training, providing access to low-cost financial services and small business development.

## Auburn MSA

Assessment Area(s) - Auburn MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
<b>Geographies (CTs)</b>	48	4.2	18.8	41.7	22.9	12.5
<b>Population by Geography</b>	174,241	3.6	15.7	49.0	23.2	8.5
<b>Housing Units by Geography</b>	70,256	4.1	16.3	49.5	22.7	7.3
<b>Owner-Occupied Housing by Geography</b>	38,483	2.3	18.1	48.9	27.9	2.8
<b>Occupied Rental Units by Geography</b>	22,248	6.7	12.8	52.6	16.2	11.7
<b>Vacant Units by Geography</b>	9,525	5.5	17.8	44.3	17.2	15.3
<b>Businesses by Geography</b>	5,261	2.1	11.2	51.7	25.6	9.5
<b>Farms by Geography</b>	210	2.4	21.0	45.7	27.1	3.8
<b>Family Distribution by Income Level</b>	37,681	22.6	15.1	19.1	43.3	0.00
<b>Household Distribution by Income Level</b>	60,731	27.6	13.3	13.4	45.7	0.00
<b>Unemployment rate (%)</b>	4.7	8.7	5.7	4.8	2.3	8.5
<b>Households Below Poverty Level (%)</b>	20.9	42.5	22.1	17.9	14.9	52.2
<b>Median Family Income (12220 - Auburn-Opelika, AL MSA)</b>	\$72,224				<b>Median Housing Value</b>	\$149,800
<b>Median Family Income (12220 - Auburn-Opelika, AL MSA) for 2024</b>	\$87,600				<b>Median Gross Rent</b>	\$835
					<b>Families Below Poverty Level</b>	10.5
FFIEC File - 2020 Census						
FFIEC File - 2024 Census						
2024 Dun & Bradstreet SBSF Demographics						
Due to rounding, totals may not equal 100%						
(*) The NA category consists of geographies that have not been assigned an income classification						

## Birmingham MSA

The Birmingham MSA consisted of Jefferson, Shelby, and St. Clair counties. The bank operated six full-service branches and ATMs in this AA. The AA accounted for 1.1 percent of bank-wide deposits and 40.6 percent of VNB's statewide deposits in the state of Alabama.

## Employment and Economic Factors

The BLS report shows the monthly unemployment rate in Birmingham as of December 2024 was 3 percent, which was below the state of Alabama's unemployment rate of 3.2 percent. The unemployment rate in the Birmingham MSA slightly increased from 2.9 percent since January 2022, while the statewide unemployment rate slightly increased from 3.1 percent.

Based on the December 2024 Moody's Analytics report, the Birmingham-Hoover, AL area economy growth has slowed. Total employment has remained flat, putting the MSA well below the broader Southern region and U.S. for job growth in the last few months and finance employment levels are stagnant because of weaknesses in banking services. However, growth in the key insurance industry is expected to continue at a steady pace. Birmingham's economy is projected to grow modestly in the near

term, with the insurance industry being a steady pillar. Longer-term, relatively weak demographics due to slow population growth, especially for a large southern metro area, will limit growth potential, keeping Birmingham a typical performer for the state but an underperformer nationally.

Strengths of the area include central location in Alabama with strong infrastructure linkages and local research and healthcare facilities. Weaknesses of the area include slightly subpar educational attainment and below-average per capita income, slow population growth, and below-average share of jobs in high tech, high-value-added services.

## Housing

Based on the information from the 2020 U.S. Census, 59.5 percent of the total housing units in the AA were owner-occupied, 27.5 percent were renter occupied, and 13 percent were vacant units. Of all owner-occupied units, 4.1 percent were in low-income CTs, and 16.9 percent were in moderate-income CTs. Of all occupied rental units, 13.9 percent were in low-income CTs, and 29.4 percent were in moderate-income CTs. Of all vacant units, 15.7 percent were in low-income CTs, and 30 percent were in moderate-income CTs. The median housing value was \$158,800 and the median gross rent was \$887.

## Affordability

Based on data from the 2020 U.S. Census, low-income families within the Birmingham MSA earned \$3,086 monthly, while moderate-income families earned \$4,937. This calculation results in a maximum monthly mortgage payment, based on a 30 DTI ratio, of \$926 for low-income borrowers and \$1,481 for moderate-income borrowers. Assuming a 30-year mortgage with a 6 percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the AA median housing value would be \$952. Based on these calculations, low-income borrowers could face challenges to afford a mortgage loan within the AA.

## Community Contact

Examiners utilized four community contacts performed during the evaluation period in this AA, including a LMI community-based nonprofit that provides assistance to families, a small business financing center, and two economic development agencies. The contacts identified several needs within the Birmingham MSA, such as offering essential support and basic resources to LMI families, assisting small businesses with loans, accessible capital, and technical resources, and providing economic development resources in underserved communities.

## Birmingham MSA

Assessment Area(s) - Birmingham MSA						
2022 - 2024						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (CTs)	268	9.0	22.8	34.7	31.0	2.6
Population by Geography	988,848	6.3	18.7	36.2	37.4	1.4
Housing Units by Geography	433,897	8.3	22.1	34.7	33.6	1.3
Owner-Occupied Housing by Geography	258,110	4.1	16.9	37.6	40.6	0.7
Occupied Rental Units by Geography	119,212	13.9	29.4	30.6	23.7	2.4
Vacant Units by Geography	56,575	15.7	30.0	30.2	22.4	1.8
Businesses by Geography	43,657	6.2	15.4	32.2	45.1	1.0
Farms by Geography	1,242	3.9	11.7	40.3	44.0	0.2
Family Distribution by Income Level	244,595	21.0	16.4	18.5	44.1	0.00

Assessment Area(s) - Birmingham MSA						
2022 - 2024						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Household Distribution by Income Level	377,322	24.1	15.2	16.9	43.8	0.00
Unemployment rate (%)	5.6	12.8	8.6	5.1	3.2	16.0
Households Below Poverty Level (%)	13.6	36.0	21.3	10.6	6.6	40.5
Median Family Income (13820 - Birmingham, AL MSA)	\$74,058			Median Housing Value	\$158,800	
Median Family Income (13820 - Birmingham, AL MSA) for 2024	\$90,900			Median Gross Rent	\$887	
				Families Below Poverty Level	9.4	

FFIEC File - 2020 Census  
 FFIEC File - 2024 Census  
 2024 Dun & Bradstreet SBSF Demographics  
 Due to rounding, totals may not equal 100%  
 (\*) The NA category consists of geographies that have not been assigned an income classification

## Scope of Evaluation in Alabama

Examiners conducted full-scope reviews on the Auburn MSA and Birmingham MSA. The full-scope AAs accounted for 44.6 percent of statewide deposits. Areas that received limited scope reviews were the Montgomery MSA and Alabama Non-MSA (refer to appendix A for a list of all AAs). In selecting the full-scope AAs, examiners considered the bank's deposit and loan concentrations, branch distributions, and the time since the last full-scope review of each AA. For the full-scope AAs, the Birmingham MSA was given greater weight across all performance tests due to its larger percentage of statewide deposits and reportable loans.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN ALABAMA

### LENDING TEST

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

### Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank's performance in the Auburn MSA and Birmingham MSA was excellent.

### Lending Activity

Lending levels reflected excellent responsiveness to AAs credit needs.

Table 3: Lending Activity

2022 - 2024

Number of Loans						
Assessment Area	Home Mortgage	Small Business	Community Development	Total	% Rating Area Loans	% Rating Area Deposits
Alabama Non-MSA	34	32	1	67	6.9	25.1
Auburn MSA	44	47	1	92	9.4	4.0
Birmingham MSA	71	509	2	582	59.5	40.6
Montgomery MSA	60	172	3	235	24.1	30.3
Broader Statewide or Regional Area	0	0	1	1	0.1	0.0
<b>Total</b>	<b>209</b>	<b>760</b>	<b>8</b>	<b>977</b>	<b>100.0</b>	<b>100.0</b>
Dollar Volume of Loans (\$000s)						
Assessment Area	Home Mortgage	Small Business	Community Development	Total	% Rating Area Loans	% Rating Area Deposits
Alabama Non-MSA	5,106	2,155	7,658	14,919	6.3	25.1
Auburn MSA	10,348	1,796	23,000	35,144	14.7	4.0
Birmingham MSA	85,308	12,116	47,500	144,924	60.8	40.6
Montgomery MSA	8,399	10,379	21,880	40,658	17.0	30.3
Broader Statewide or Regional Area	0	0	2,850	2,850	1.2	0.0
<b>Total</b>	<b>109,161</b>	<b>26,446</b>	<b>102,888</b>	<b>238,495</b>	<b>100.0</b>	<b>100.0</b>

Source: 1/1/2022 - 12/31/2024 Bank Data.

Due to rounding, totals may not equal 100%

\*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

### Auburn MSA

Lending levels exhibited excellent responsiveness to AA credit needs.

According to the June 30, 2024 FDIC Summary of Deposit Report, VNB had \$56.1 million in deposits in the Auburn MSA. VNB had a 1.3 percent deposit market share and ranked 15<sup>th</sup> out of 19 deposit taking institutions in the AA. The bank's deposit market share ranked in the top 78.9 percent. The top five banks by deposit market share were Auburn Bank, SouthState Bank, Renasant Bank, River Bank & Trust, and Southern States Bank. These five banks had a combined deposit market share of 53.1 percent.

According to 2023 peer mortgage data, VNB had a 0.2 percent market share of home mortgage originations. VNB's market share of home mortgage originations was weaker than its deposit market share. VNB's mortgage originations ranked 63<sup>rd</sup> out of 307 home mortgage lenders. The bank's market share ranking of home mortgage loan originations, relative to all home mortgage lenders, was in the top 20.5 percent. VNB's market share ranking of home mortgage loan originations was stronger than its deposit market share. The top five home mortgage lenders by number of loans and market share were CMG Mortgage Inc., River Bank & Trust, PennyMac Loan Services LLC, Trustmark National Bank, and United Wholesale Mortgage. These five lenders had a combined home mortgage loan market share of 27.6 percent.

According to 2023 peer data, VNB held a 0.7 percent market share of small business loan originations, ranking 24<sup>th</sup> out of 86 lenders. While this market share is lower than its deposit market share, the ranking is stronger placing the bank in the top 27.9 percent of small business lenders by number of originations. The top five small business lenders by number of loans and market share were American Express National Bank, JP Morgan Chase Bank, N.A., Capital One, N.A., Citi Bank, N.A., and US Bank, N.A. These five lenders had a combined small business loan market share of 59.5 percent.

### Birmingham MSA

Lending levels exhibited excellent responsiveness to AA credit needs.

According to the June 30, 2024 FDIC Summary of Deposit Report, VNB had \$574.5 million in deposits in the Birmingham MSA. VNB had a 1.2 percent deposit market share and ranked 13<sup>th</sup> out of 44 deposit taking institutions in the AA. The bank's deposit market share ranked in the top 29.5 percent. The top five banks by deposit market share were Regions Bank, PNC Bank, N.A., ServisFirst Bank, Wells Fargo Bank, N.A., and Synovus Bank. These five banks had a combined deposit market share of 70.2 percent.

According to 2023 peer data, VNB had a 0.1 percent market share of home mortgage originations. VNB's market share of home mortgage originations was weaker than its deposit market share. VNB's mortgage originations ranked 115<sup>th</sup> out of 500 home mortgage lenders. The bank's market share ranking of home mortgage loan originations, relative to all home mortgage lenders, was in the top 23 percent. VNB's market share ranking of home mortgage loan originations was stronger than its deposit market share. The top five home mortgage lenders by number of loans and market share were Regions Bank, America's First Federal Credit Union, PennyMac Loan Services LLC, United Wholesale Mortgage, and Rocket Mortgage. These five lenders had a combined home mortgage loan market share of 26 percent.

According to 2023 peer data, VNB held a 0.9 percent of small business loan originations, ranking 18<sup>th</sup> out of 127 lenders. While VNB's market share was lower than its deposit market share, its ranking was stronger, placing VNB in the top 14.2 percent of all small business lenders by volume. The top five small business lenders by number of loans and market share were American Express National Bank, JP Morgan Chase Bank, N.A., Capital One, N.A., Synchrony Bank, and Citi Bank, N.A. These five lenders had a combined small business loan market share of 64.3 percent.

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

The bank exhibited a good geographic distribution of loans in its AAs.

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

Refer to Table 7 in the state of Alabama 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.

### Auburn MSA

The geographic distribution of home mortgage loans was excellent. The bank's percentage of home mortgage loans in low-income geographies approximated the percentage of owner-occupied homes in those geographies and exceeded the aggregate distribution of loans. The percentage of home mortgage

loans in moderate-income geographies exceeded both the percentage of owner-occupied homes in those geographies and the aggregate distribution of loans.

#### Birmingham MSA

The geographic distribution of home mortgage loans was adequate. The bank's percentage of home mortgage loans in low-income geographies was significantly below the percentage of owner-occupied homes in those geographies and was below the aggregate distribution of loans. The percentage of home mortgage loans in moderate-income geographies was below the percentage of owner-occupied homes in those geographies but was near to the aggregate distribution of loans.

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

Refer to Table 9 in the state of Alabama 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.

#### Auburn MSA

The geographic distribution of small loans to businesses was adequate. The bank's percentage of small loans to businesses in low-income geographies was significantly below the percentage of businesses in those geographies and the aggregate distribution of loans. The bank did not originate any small loans to businesses in low-income geographies during the evaluation period. The percentage of small loans to businesses in moderate-income geographies exceeded the percentage of businesses in those geographies and the aggregate distribution of loans.

Examiners noted several factors contributing to the bank's weak performance in low-income geographies. The bank maintains a minimal presence in this AA, operating just one branch with limited deposits and capturing less than 1 percent of the market share for small loans to businesses.

Additionally, only 2.1 percent of small businesses are situated in these low-income areas. The competitive landscape is shaped by the top five lenders, who account for nearly 60 percent of the loans in this AA.

#### Birmingham MSA

The geographic distribution of small loans to businesses was excellent. The bank's percentage of small loans to businesses in low-income geographies exceeded the percentage of businesses in those geographies and was near to the aggregate distribution of loans. The percentage of small loans to businesses in moderate-income geographies exceeded both the percentage of businesses in those geographies and the aggregate distribution of loans.

#### ***Lending Gap Analysis***

Examiners reviewed summary reports and maps and analyzed home mortgage and small business lending activity to identify any gaps in the geographic distribution of loans in all full-scope AAs. Examiners did not identify any unexplained conspicuous gaps in any of the areas they reviewed.

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

The bank exhibits a good distribution of loans among individuals of different income levels and business and farms of different sizes, given the product lines offered by the institution.

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

Refer to Table 8 in the state of Alabama 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.

#### Auburn MSA

The distribution of home mortgage loans was excellent. The bank's percentage of home mortgage loans to low-income borrowers was well below the percentage of low-income families, but exceeded the aggregate distribution of loans. The bank's percentage of home mortgage loans to moderate-income borrowers exceeded both the percentage of moderate-income families and the aggregate distribution of loans.

#### Birmingham MSA

The distribution of home mortgage loans was adequate. The bank's percentage of home mortgage loans to low-income borrowers was significantly below the percentage of low-income families, but exceeded the aggregate distribution of loans. The bank's percentage of home mortgage loans to moderate-income borrowers was below both the percentage of moderate-income families and the aggregate distribution of loans.

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

Refer to Table 10 in the state of Alabama section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

#### Auburn MSA

The distribution of loans to businesses of different sizes was excellent. The bank's percentage of small loans to businesses with revenues of \$1 million or less was near to the percentage of businesses with gross annual revenues of \$1 million or less but exceeded the aggregate distribution of small loans to businesses.

#### Birmingham MSA

The distribution of loans to businesses of different sizes was good. The bank's percentage of small loans to businesses with revenues of \$1 million or less was below the percentage of businesses with gross annual revenues of \$1 million or less but exceeded the aggregate distribution of small loans to businesses.

## **Community Development Lending**

The institution had made a relatively high level of CD loans. CD lending had a positive impact on the Lending Test conclusion in the state of Alabama.

Refer to Table 3 in the Lending Activity section for the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

#### Auburn MSA

During the evaluation period, VNB extended a \$23 million line of credit to support business expansion and the creation of 15 new permanent jobs, with anticipated annual wages at approximately 40 percent of the AMI, directly benefitting LMI workers. This CD loan supported economic development activities of the AA and represented 330.6 percent of allocated tier 1 capital.

#### Birmingham MSA

During the evaluation period, VNB originated two loans totaling \$47.5 million or 66.6 percent of allocated tier 1 capital. The bank's lending supported revitalization and stabilization efforts of LMI geographies.

The following are the two CD loans the bank originated in the AA:

- The bank originated a \$25 million commercial mortgage for a 204-unit multifamily property in a moderate-income CT. The project aligns with the county government plans to support diversity in housing, access to quality housing for moderate income families, and local sustainability and infrastructure goals.
- The bank originated a \$22.5 million construction loan to finance a 159 unit off-campus, multifamily development in a low-income CT near the University of Alabama-Birmingham. The project supports municipal government plans to promote affordable housing and attract investment to underserved areas within the community.

#### Broader Statewide Regional CD lending

Because VNB was responsive to community development needs and opportunities in its AA, examiners considered CD loans in the broader statewide and regional areas that include the bank's AA, but do not have a purpose, mandate, or function to specifically serve the AA. CD lending in the broader statewide area consisted of one loan in the amount of \$2.9 million. This loan addressed affordable housing needs by helping to maintain 34 affordable housing units within the community. This CD loan had a neutral impact and supported the Lending Test conclusion.

### **Product Innovation and Flexibility**

Within the State of Alabama, the institution made limited use of innovative and/or flexible lending practices in order to serve AA credit needs to both consumers and small business owners. Refer to the "Other Factors Considered in our Analysis under Performance Tests" section for additional details regarding home mortgage and small business loans programs. During the evaluation period, VNB participated in the following programs.

- Community Advantage Home Mortgage – originated 10 loans totaling \$1.7 million;
- Community Small Business Lending – originated 76 loans totaling \$1.4 million;

- Home Ready – originated one loan totaling \$219,920;
- FHA Home Mortgage – originated six loans totaling \$1.1 million;
- SBA 7(a) – originated two loans totaling \$818,700;
- USDA – originated two loans totaling \$442,000;
- Veteran Administration Home Mortgage – originated four loans totaling \$894,000; and
- Alabama Step Up Program – originated two loans totaling \$268,000.

## Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Lending Test in the Montgomery MSA and Alabama Non-MSA assessment areas was consistent with the bank's overall performance under the Lending Test in the full-scope areas. The bank's performance in the limited-scope AAs had a neutral impact on the Lending Test conclusion for the state of Alabama.

Refer to Tables 7 through 14 in the state of Alabama section of appendix D for the facts and data that support the limited-scope conclusions.

## INVESTMENT TEST

The bank's performance under the Investment Test in Alabama is rated High Satisfactory.

## Conclusions for Areas Receiving Full-Scope Reviews

Based on a full-scope review, the bank's performance in the Auburn MSA and Birmingham MSA was good.

The institution had a significant level of qualified CD investments, including grants, although rarely in a leadership position, particularly those that are not routinely provided by private investors.

The institution exhibited good responsiveness to credit and community development needs. The institution rarely used innovative and/or complex investments to support CD initiatives.

## Number and Amount of Qualified Investments

Table 4: Qualified Investments*										2022-2024
Assessment Area	Prior Period		Current Period		Total				Unfunded Commitments	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Alabama Non-MSA	2	1,514	17	5,920	19	12.8	7,434	36.8	0	0
Auburn MSA	4	2,073	6	50	10	6.8	2,123	10.5	0	0
Birmingham MSA	5	4,994	68	459	73	49.3	5,453	27.0	0	0
Montgomery MSA	9	3,979	22	1,026	31	21.0	5,005	24.8	0	0
Broader Statewide or Regional Area	0	0	15	172	15	10.1	172	0.9	0	0
<b>Total</b>	<b>20</b>	<b>12,560</b>	<b>128</b>	<b>7,627</b>	<b>148</b>	<b>100.0</b>	<b>20,187</b>	<b>100.0</b>	<b>0</b>	<b>0</b>

\* The table presents the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

### Auburn MSA

The dollar volume of current- and prior-period investments represented 30.5 percent of allocated tier 1 capital. VNB had 10 qualified investments and grants in the AA totaling approximately \$2.1 million. Of these qualified investments and grants, \$2.1 million (98.6 percent) were related to affordable housing and \$30,000 (1.4 percent) supported economic development activities.

The following are examples of qualified investments in the AA:

- The bank had two investments in Low-Income Housing Tax Credit (LIHTC) funds, totaling \$942,988. The LIHTC projects provided a total of 112 affordable housing units for the households earning up to 60 percent of AMI in the AA.
- The bank donated a total of \$20,000 to an organization that builds affordable housing for LMI individuals.
- The bank donated \$30,000 to a local, non-profit food bank serving LMI households.

### Birmingham MSA

The dollar volume of current- and prior-period investments represented 7.6 percent of allocated tier 1 capital. VNB had 73 qualified investments and grants in the AA totaling \$5.4 million. Of these qualified investments and grants, \$5.1 million (93 percent) were related to affordable housing, \$207,100 (3.8 percent) supported community services targeted to LMI individuals, \$111,000 (2 percent) supported economic development activities, and \$65,000 (1.2 percent) supported revitalization and stabilization efforts in LMI geographies.

The following are examples of qualified investments in the AA:

- The bank had five MBS investments totaling \$5 million that are backed by CRA-eligible residential mortgages for LMI borrowers within the bank's AA.
- The bank donated \$40,000 to a local, non-profit food bank, which serves over half the counties in the state. 25 percent of residents within these counties live at or below the poverty level.
- The bank donated \$30,000 to an organization that builds affordable housing for LMI individuals' families.

### Broader Statewide Regional Qualified Investments

Because the bank was responsive to community development needs and opportunities in its AA, examiners considered investments in the broader statewide and regional areas that include the bank's AA but do not have a purpose, mandate, or function to specifically serve the AA. These investments totaled \$171,500 and primarily supported economic development activities. These investments and grants had a neutral impact and supported the Investment Test conclusion.

## **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the Investment Test in the Alabama Non-MSA and Montgomery MSA was stronger than the bank's overall performance under the

Investment Test in the full-scope areas. Stronger performance is due to higher levels of qualified investments and grants as compared to allocated tier 1 capital. The bank's performance in the limited-scope AAs had a neutral impact on Investment Test conclusion for the state of Alabama.

## SERVICE TEST

The bank's performance under the Service Test in Alabama is rated Low Satisfactory.

### Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank's performance in the Auburn MSA and Birmingham MSA was adequate.

### Retail Banking Services

Service delivery systems are reasonably accessible to geographies and different income levels in the institution's AAs.

Examiners evaluated the data as outlined in the Scope of Evaluation section including bank-provided data on usage of branches adjacent to LMI geographies by individuals residing in those geographies and the usage of alternative delivery systems.

Table 5: Distribution of Branch Delivery Systems											2022 - 2024		
Assessment Area	Deposits	Branches						Population					
	% of Rated Area Deposits in AA	# of Bank Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)					% of Population within Each Geography				
				Low	Mod	Mid	Upp	NA	Low	Mod	Mid	Upp	NA
Alabama Non-MSA	25.1	3	18.8	0.0	0.0	66.7	33.3	0.0	0.0	4.0	61.7	34.3	0.0
Auburn MSA	4.0	1	6.3	0.0	0.0	0.0	100.0	0.0	3.6	15.7	49.0	23.2	8.5
Birmingham MSA	40.6	6	37.5	0.0	0.0	33.3	66.7	0.0	6.3	18.7	36.2	37.4	1.4
Montgomery MSA	30.3	6	37.5	0.0	0.0	16.7	66.7	16.7	7.8	25.7	38.6	27.1	0.8
<b>Total</b>	100.0	16	100.0	0.0	0.0	31.3	62.5	6.2	6.1	19.4	38.9	33.5	2.0

Source: FFIEC File - 2020, 2024 Census; 1/1/2022 - 12/31/2024 Bank Data; Due to rounding, totals may not equal 100%

\* The table presents the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

### Auburn MSA

Service delivery systems were unreasonably accessible to geographies and individuals of different income levels in the AA.

The bank's distribution of branches in both LMI and moderate-income geographies was significantly below the percentage of the population living in those area. VNB operated only one branch within the AA, which is located in an upper-income CT..

VNB supplements its traditional service delivery methods with alternative delivery systems, including deposit-taking ATMs, remote check deposit, online and mobile banking, Zelle®, electronic bill-pay, E-

statements, text banking alerts, telephone, and online account opening. The bank provided an analysis report of these delivery channels which showed customer usage of these systems in LMI CTs. Based on the data, these delivery channels provided additional delivery availability and access to banking services to LMI retail customers. Eighty percent of customers in low-income CTs and 71.1 percent in moderate-income CTs enrolled in online banking, while 60 percent and 55.4 percent used mobile banking, respectively. The bank alternative delivery systems had a positive impact on the bank's retail banking services conclusion in this AA. The bank had one deposit-taking ATM in the AA, located in an upper-income CT. The distribution of the ATM is consistent with the branch distribution.

The bank also offered affordable and flexible deposit products and retail services, such as the Valley Journey, Valley Milestone, Valley My Choice, and Valley Nonprofit Organization checking accounts. These products offer combinations of no monthly or overdraft fees, low minimum balances, and free unlimited transactions which addressed LMI community needs.

VNB did not open or close any branches in the MSA during the evaluation period. Services, including where appropriate, business hours, did not vary in a way that inconveniences the various portions of its AA, particularly LMI geographies and/or individuals. The bank's one branch in the MSA is open Monday through Thursday from 9:00 a.m. to 4:00 p.m., and on Fridays until 5:00 p.m. All retail banking services offered are available in LMI geographies.

### Birmingham MSA

Service delivery systems were reasonably accessible to geographies and individuals of different income levels in the AA.

The bank's distribution of branches in low-income geographies was significantly below and in moderate-income geographies was significantly below the percentage of the population living within those geographies. VNB had six branches in the AA with no branches in LMI geographies in this AA at the end of the evaluation period. Examiners considered the fact that in 2022 and 2023, the bank's Gardendale branch was in a moderate-income CT. However, due to the Office of Management and Budget's (OMB) 2023 revisions, which moved Walker County to the Birmingham MSA, the FFIEC adjusted the area's median family income, changing the tract's classification from moderate-income to middle-income in 2024. The presence of the branch in a moderate-income CT for most of the evaluation period is given positive consideration in concluding on accessibility of the bank's retail banking services. Examiners also took into account an upper-income branch located within 1,000 feet of a low-income CT in the AA that serves LMI individuals or geographies. This MUI branch had a positive impact on the retail banking services conclusion.

VNB supplements its traditional service delivery methods with alternative delivery systems, including deposit-taking ATMs, remote check deposit, online and mobile banking, Zelle®, electronic bill-pay, E-statements, text banking alerts, telephone, and online account opening. Based on the bank provided data, these delivery channels provided additional delivery availability and access to banking services to LMI retail customers. 60 percent of customers in low-income CTs and 50.7 percent of customers in moderate-income CTs enrolled in online banking, while 45.3 percent and 38.6 percent used mobile banking, respectively. The bank alternative delivery systems had a positive impact on the bank's retail banking services conclusion in this AA. The bank had six deposit-taking ATMs in the AA, one of which was in a moderate-income CT for most of the evaluation period. The distribution of ATMs is consistent with the branch distributions.

The bank also offered affordable and flexible deposit products and retail services, such as the Valley Journey, Valley Milestone, Valley My Choice, and Valley Nonprofit Organization checking accounts. These products offer combinations of no monthly or overdraft fees, low minimum balances, and free unlimited transactions which addressed LMI community needs.

VNB did not open or close any branches in the AA during the evaluation period. Services, including where appropriate, business hours, did not vary in a way that inconveniences the various portions of its AA, particularly LMI geographies and/or individuals. All branches in the MSA are open Monday through Thursday from 9:00 a.m. to 4:00 p.m., and on Fridays until 5:00 p.m. All retail banking services offered are available in LMI geographies.

## **Community Development Services**

The institution provided a relatively high level of CD services.

### Auburn MSA

One VNB employee held a leadership position as board members for a CD organization in the AA, accounting for 49 hours during the evaluation period. Six employees provided 40 hours of service to five CD organizations during the evaluation period. The organizations focused on affordable housing including home ownership education; economic development, including technical assistance to small businesses; and community services, including financial education to LMI individuals and food bank distribution support.

Examples of qualified CD service activity in this AA include:

- A market manager contributed 49 service hours as a board member of a nonprofit organization focused on affordable housing services. The manager provided financial support in overseeing the budget, reviewing current housing applications, and discussing the development of new homes.
- Three employees provided 18 hours of volunteer work to provide food bank and food distribution support in response to food insecurity issues for LMI individuals resulting from the Covid-19 pandemic.

### Birmingham MSA

Sixteen VNB employees held leadership positions as board or committee members for 20 CD organizations in the AA, accounting for 393 hours during the evaluation period. Forty-one employees provided 756 hours of service to 32 organizations during the evaluation period. The organizations focused on affordable housing, including home ownership education; economic development, including technical assistance to small businesses; and community services, including financial education to LMI individuals and food bank distribution support.

Examples of qualified CD service activity in this AA include:

- The CRA officer contributed 60 service hours as a board or committee member for seven different community service organizations. These organizations focus on economic development, providing education and support for LMI families, healthcare for low-income and

underprivileged children and families, promoting community reinvestment and fair lending practices, and originating loans for small businesses.

- A market manager contributed 30 hours as a committee member for an organization focused on serving women-owned minority businesses. The manager contributed to the long-term strategic focus of the organization, provided financial expertise, and connected with other partners to facilitate access to funding and other resources.
- Five employees provided 27 hours of home ownership education to LMI individuals through a first-time homebuyer seminar in partnership with an organization focused on providing resources to the LMI community. Topics included understanding the homebuying process, budgeting, and mortgages.

## **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the Service Test in the Alabama Non-MSA was consistent with the bank's overall performance under Service Test in the full-scope areas. The bank's performance in the Montgomery MSA was weaker than the bank's overall performance under Service Test in the full-scope areas. Weaker performance was due to the absence of branches in LMI geographies which did not align with the percentage of the population living in those geographies. The bank's performance in the limited-scope AAs had a neutral impact on the Service Test conclusion for the state of Alabama.

## State of Florida

**CRA rating for the State of Florida:** Outstanding

**The Lending Test is rated:** Outstanding

**The Investment Test is rated:** High Satisfactory

**The Service Test is rated:** High Satisfactory

The major factors that support this rating include:

- An excellent level of lending activity;
- An excellent geographic distribution of home mortgage loans and small loans to businesses;
- A good borrower distribution of home mortgage loans and small loans to businesses;
- An excellent level of CD loans that had a positive impact in the lending test conclusion;
- The use of innovative and/or flexible lending practices to serve AAs credit needs;
- A significant level of qualified investments, including grants, with good responsiveness to credit and community development needs;
- Retail service delivery systems that are accessible to geographies and individuals of different income levels in the bank's AAs; and
- A relatively high level of CD services that are responsive to AAs needs.

## Description of Institution's Operations in Florida

VNB had seven AAs in the state of Florida: Jacksonville MSA, Miami-Port St. Lucie-Fort Lauderdale FL CSA (Miami CSA), Tampa-St. Petersburg-Clearwater MSA (Tampa MSA), Cape Coral-Fort Myers-Naples, FL CSA (Cape Coral CSA), Palm Bay-Melbourne-Titusville, FL MSA (Palm Bay MSA), North Port-Bradenton-Sarasota MSA (North Port MSA), and the Orlando-Lakeland-Deltona CSA (Orlando CSA). The AAs meet the requirements of the regulation and do not arbitrarily exclude any LMI geographies. Please refer to appendix A for a complete listing of AAs, including type of review and description of AA boundaries.

As of December 31, 2024, VNB operated 41 full-service branches with 34 deposit taking ATMs. There were 14 branch locations in the Miami CSA, 12 in the Tampa MSA, seven in the Orlando CSA, four in the Cape Coral CSA, two in the Jacksonville MSA, and one each in the Northport and Palm Bay MSAs. Each of these locations offered traditional weekday hours and products. Additionally, 30 branches offered drive-thru services.

According to the June 30, 2024, FDIC Deposit Market Share report, VNB held \$9.3 billion in deposits ranking 18<sup>th</sup> out of 189 institutions and holding 1.1 percent of the deposit market share in Florida. The five largest competitors in this state include Bank of America, N.A., Wells Fargo Bank, N.A., JPMorgan Chase Bank N.A., Truist Bank, and Raymond James Bank. These competitor deposits total \$441.1

billion, representing 53.1 percent of total deposit market share. VNB's deposits in Florida represent 18.4 percent of bank-wide deposits, which ranks second of the bank's four rating areas.

During the evaluation period, the bank originated 26.9 percent of its home mortgage loans and 48.3 percent of its small loans to businesses in Florida. The Miami CSA and Tampa MSA represented the bank's most significant markets in terms of deposit concentration, branch distribution, and reportable loans in the state. As of June 30, 2024, deposits from the Miami CSA and Tampa MSA accounted for 37.1 percent and 37 percent, respectively, of VNB's statewide deposits. Furthermore, 63.4 percent of the bank's branches were located within these two AA. The Miami CSA and Tampa MSA accounted for 35.1 and 32.1 percent, respectively, of reportable home mortgage loans in Florida, while small loans to businesses comprised 43 and 21 percent, respectively, of reportable small loans to businesses in Florida.

### Jacksonville MSA

The Jacksonville MSA consisted of Duvall and St. Johns counties. VNB operated two full-service branches and one deposit-taking ATM in the AA. The AA accounted for 0.6 percent of bank-wide deposits and 3.5 percent of VNB's deposits in the state of Florida.

### **Employment and Economic Factors**

According to the BLS, the unemployment rate in Duvall County was 3.9 percent in January 2022, which was slightly higher than the state of Florida unemployment rate of 3.7 percent. The 3.1 percent unemployment rate in St. Johns County was below the state rate. The unemployment rates dropped to 3.2 and 3 percent in both counties, respectively, by December 2024 which mirrored the state rate of 3.2 percent.

Based on the December 2024 Moody's Analytics report, the Jacksonville's job growth has remained stable over the past year, surpassing both the state and regional averages in recent months. The healthcare sector has been a significant driver of this growth. The logistics sector has also improved, with payrolls reaching their highest levels since late 2022. However, the finance sector has struggled, experiencing a notable decline in employment over the past year. The housing market is largely stagnant, marked by stable prices, a decline in permit issuance, and home sales reaching their lowest point in a decade.

Strengths of the area include low-cost center for financial services, robust distribution industry supported by port, and military base that provides large-scale employment opportunities. The top five non-public employers in the area are Amazon, Baptist Health, Bank of America, Mayo Clinic, and Florida Blue.

### **Housing**

Based on information from the 2020 U.S. Census, 54.4 percent of the total housing units in the AA were owner-occupied, 33.5 percent were renter occupied, and 12.1 percent were vacant units. Of all owner-occupied units, 4.3 percent were in low-income CTs, and 21.6 percent were in moderate-income CTs. Of all occupied rental units, 10 percent were in low-income CTs, and 38 percent were in moderate-income CTs. Of all vacant units, 9.4 percent were in low-income CTs, and 28.3 percent were in moderate-income CTs. The median housing value was \$188,050 and the median gross rent was \$1,110.

## Affordability

Based on data from the 2020 U.S. Census, low-income families within the Jacksonville MSA earned \$3,189 monthly, while moderate-income families earned \$5,102. This calculation results in a maximum monthly mortgage payment, based on a 30 percent DTI ratio, of \$957 for low-income borrowers and \$1,531 for moderate-income borrowers. Assuming a 30-year mortgage with a six percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the AA median housing value would be \$1,127. Based on these calculations, low-income borrowers would be severely challenged to afford a mortgage loan within the AA.

## Community Contact

Examiners utilized two community contacts performed during the evaluation period in this AA, including a local nonprofit organization that focuses on financial education, lending, neighborhood stabilization, community revitalization, and small business development and a local chamber of commerce that provides numerous services, educational programs and events to build the community. The contacts expressed a wide range of needs throughout the Jacksonville MSA, including support for youth financial education and account access, improving the availability of affordable housing, and funding for community redevelopment zones. Additionally, they highlighted the need for more affordable bank products to counter the high number of predatory check cashers and lenders targeting LMI individuals, flexibility when opening bank accounts, fintech education for LMI individuals, and small business development.

## Jacksonville MSA

Assessment Area(s) - Jacksonville MSA									
2022 - 2024									
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #			
<b>Geographies (CTs)</b>	270	8.2	27.8	33.3	28.5	2.2			
<b>Population by Geography</b>	1,268,992	6.2	27.2	35.6	30.3	0.7			
<b>Housing Units by Geography</b>	524,576	6.8	27.9	34.7	29.9	0.7			
<b>Owner-Occupied Housing by Geography</b>	285,481	4.3	21.6	36.0	37.6	0.5			
<b>Occupied Rental Units by Geography</b>	175,476	10.0	38.0	33.0	17.9	1.1			
<b>Vacant Units by Geography</b>	63,619	9.4	28.3	32.9	29.0	0.5			
<b>Businesses by Geography</b>	82,136	5.7	23.6	36.0	32.3	2.4			
<b>Farms by Geography</b>	2,628	5.3	25.4	37.8	29.7	1.8			
<b>Family Distribution by Income Level</b>	292,608	21.9	18.5	19.2	40.4	0.0			
<b>Household Distribution by Income Level</b>	460,957	23.8	17.1	18.6	40.5	0.0			
<b>Unemployment rate (%)</b>	5.1	10.1	6.3	5.2	3.3	4.3			
<b>Households Below Poverty Level (%)</b>	12.2	30.6	17.1	9.9	5.9	26.9			
<b>Median Family Income (27260 - Jacksonville, FL MSA)</b>		\$76,537	<b>Median Housing Value</b>			\$188,050			
<b>Median Family Income (27260 - Jacksonville, FL MSA) for 2024</b>		\$98,000	<b>Median Gross Rent</b>			\$1,110			
<b>Families Below Poverty Level</b>						9.3			
FFIEC File - 2020 Census									
FFIEC File - 2024 Census									

2024 Dun & Bradstreet SBSF Demographics

Due to rounding, totals may not equal 100%

(\*) The NA category consists of geographies that have not been assigned an income classification

## Miami CSA

The Miami CSA consisted of Miami-Dade, Broward, Indian River, and Palm Beach counties. VNB operated 14 full-service branches and 13 deposit-taking ATMs in the AA. The AA accounted for 6.8 percent of bank-wide deposits and 37.1 percent of VNB's statewide deposits in the state of Florida.

### **Employment and Economic Factors**

The BLS reports show the monthly unemployment rate in the Miami CSA peaked at 3.6 percent in January 2022, which was slightly below the state of Florida's unemployment rate of 3.7 percent. The CSA unemployment rate dropped to 2.8 percent by December 2024, which was lower than the state rate of 3.2 percent.

Based on the November 2024 Moody's Analytics report, the Miami-Miami Beach-Kendall, FL area economy growth has slowed. High interest rates are affecting the finance sector and the active inventory of homes for sales climbed more than 60percent over the past year, compared to less than 40 percent nationwide. The large supply of housing is also slowing the pace of home appreciation. Payrolls have been flat as weaknesses in office services have offset gains in other areas.

Strengths of the area include strong ties to Latin America, a well-developed shipping and distribution infrastructure, international capital infusion, and the world's second-busiest cruise port. The top five non-public employers in the area are Publix Super Markets, University of Miami, Jackson Health System, American Airlines, and Miami-Dade College. The Moody's Analytics report projects that the area's economic growth will improve over the next year.

Based on the December 2024 Moody's Analytics report, the Fort Lauderdale-Pompano Beach-Deerfield Beach area economy is experiencing uneven growth. Payrolls retreated heavily before recovering at year end. Construction and public sector job growth surged while the finance sector has remained flat since 2022. The other key economic factor of leisure and hospitality showed similar sluggishness. Additionally, the housing market is flat as home prices have not increased, and sales remain close to multidecade lows.

Strengths of the area include strong ties to international trade via Latin America, spillover from Miami tourism and trade, as well as being an attractive tourist destination. The top five non-public employers in the area are Nova Southeastern University, First Service Residential, HEICO, Spirit Airlines, and American Express. The Moody's Analytics report projects that the area is poised to be an above average performer relative to Florida and the broader Southern region.

Based on the December 2024 Moody's Analytics report, the West Palm Beach-Boca Raton-Delray Beach area economy is experiencing slowing growth. Job growth fell to its slowest rate since the pandemic and trailed regional and national growth during the last half of 2024. Tourism growth leveled off since mid-2023 and the finance sector is shedding jobs. Healthcare and the public sector helped to keep the labor market afloat. The housing market is at a standstill. Home sales are depressed and there is a limited inventory supply.

Strengths of the area include vibrant professional and business services, high per capita income, and positioning to expand logistics and international trade.. The top five non-public employers in the area are Tenet Healthcare Corp., NextEra Energy/Florida Power & Light Co., Florida Atlantic University, Boca Raton Regional Hospital, and Hospital Corp. of America. The Moody's Analytics report projects that the area's economy will outperform the South and stay slightly ahead of the state average for the next several years.

## Housing

Based on information from the 2020 U.S. Census, 51.3 percent of the total housing units in the AA were owner-occupied, 33.7 percent were renter occupied, and 15.1 percent were vacant units. Of all owner-occupied units, 2.9 percent were in low-income CTs, and 21.7 percent were in moderate-income CTs. Of all occupied rental units, 7.8 percent were in low-income CTs, and 37.3 percent were in moderate-income CTs. Of all vacant units, 4.3 percent were in low-income CTs, and 23.5 percent were in moderate-income CTs. The median housing value was \$273,850 and the median gross rent was \$1,433.

## Affordability

Based on data from the 2020 U.S. Census, low-income families within the Miami CSA earned between \$2,528 and \$3,324, monthly while moderate-income families earned between \$4,044 and \$5,319. This calculation results in a maximum monthly mortgage payment, based on a 30 percent DTI ratio ranging from \$758 and \$997 for low-income borrowers and from \$1,213 and \$1,596 for moderate-income borrowers. Assuming a 30-year mortgage with a six percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the AA median housing value would be \$1,642. Based on these calculations, LMI borrowers would be severely challenged to afford a mortgage loan within the AA.

## Community Contact

Examiners utilized five community contacts performed during the evaluation period in this AA, including two local nonprofit affordable housing organizations, two local economic development agencies, and a non-profit which facilitates a food assistance program. The contacts expressed a variety of needs throughout the Miami CSA, including improving the availability of affordable housing, support for specialized workforce training, and access to low-cost financial services. They also emphasized the importance of having a presence at community events to raise awareness of affordable banking products, participating in the revitalization of low-income neighborhoods, supporting economic development in LMI areas, and fostering small business development.

## Miami CSA

Assessment Area(s) - Miami CSA						
2022 - 2024						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
<b>Geographies (CTs)</b>	1,542	5.3	26.2	30.5	34.2	3.8
<b>Population by Geography</b>	6,298,121	4.7	27.9	31.7	34.3	1.5
<b>Housing Units by Geography</b>	2,629,952	4.7	27.2	31.2	35.5	1.4
<b>Owner-Occupied Housing by Geography</b>	1,348,506	2.9	21.7	32.5	42.0	1.0
<b>Occupied Rental Units by Geography</b>	885,193	7.8	37.3	31.2	22.1	1.8
<b>Vacant Units by Geography</b>	396,253	4.3	23.5	26.7	43.4	2.1
<b>Businesses by Geography</b>	533,458	2.7	23.2	28.8	43.0	2.3
<b>Farms by Geography</b>	10,163	3.4	25.9	30.9	39.0	1.0
<b>Family Distribution by Income Level</b>	1,456,462	22.4	17.7	18.1	41.9	0.0

Assessment Area(s) - Miami CSA							2022 - 2024
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #	
<b>Household Distribution by Income Level</b>	2,233,699	24.7	16.1	16.8	42.5	0.0	
Unemployment rate (%)	5.57	8.5	7.2	5.1	4.2	8.3	
Households Below Poverty Level (%)	14.11	32.2	20.5	12.3	7.8	20.0	
Median Family Income (22744 - Fort Lauderdale-Pompano Beach-Sunrise, FL MD)	\$73,430			Median Housing Value	\$273,850		
Median Family Income (33124 - Miami-Miami Beach-Kendall, FL MD)	\$60,666			Median Gross Rent	\$1,433		
Median Family Income (42680 - Sebastian-Vero Beach-West Vero Corridor, FL MSA)	\$72,001			Families Below Poverty Level	10.5		
Median Family Income (48424 - West Palm Beach-Boca Raton-Delray Beach, FL MD)	\$79,785						
Median Family Income (22744 - Fort Lauderdale-Pompano Beach-Sunrise, FL MD) for 2024	\$89,100						
Median Family Income (33124 - Miami-Miami Beach-Kendall, FL MD) for 2024	\$79,400						
Median Family Income (42680 - Sebastian-Vero Beach-West Vero Corridor, FL MSA) for 2024	\$82,800						
Median Family Income (48424 - West Palm Beach-Boca Raton-Delray Beach, FL MD) for 2024	\$104,000						
FFIEC File - 2020 Census							
FFIEC File - 2024 Census							
2024 Dun & Bradstreet SBSF Demographics							
Due to rounding, totals may not equal 100%							
(*) The NA category consists of geographies that have not been assigned an income classification							

### Tampa MSA

The Tampa MSA consisted of Pinellas and Hillsborough counties. VNB operated 12 full-service branches and 13 deposit-taking ATMs in the AA. The AA accounted for 6.8 percent of bank-wide deposits and 37 percent of VNB's statewide deposits in the state of Florida.

### **Employment and Economic Factors**

According to the BLS, the unemployment rate in the Tampa MD was 3.7 percent and 3.4 percent in the St. Petersburg MD in January 2022 which were equal to or lower than the state of Florida unemployment rate of 3.7 percent. The unemployment rates dropped to 3.3 percent in both MDs by December 2024, which mirrored the state rate of 3.2 percent.

Based on the November 2024 Moody's Analytics report, the Tampa-St. Petersburg-Clearwater, FL area economy growth is recovering in the aftermath of Hurricane Ian. Non-farm employment is growing, and payroll growth was above the state average. As a result, unemployment is low and stable. However, the housing market slowed significantly, and home appreciation is almost four percent below the national average.

Strengths of the area include being the financial services capital of Florida, lower tax burden and office rents, strong tourism, and a high quality of life. The top five non-public employers in the area are Publix Super Markets, BayCare Health System, HCA Healthcare, MacDill Air Force Base, and the University of South Florida. The Moody's Analytics report projects that the area's economic growth will remain stable over the next year.

### **Housing**

Based on information from the 2020 U.S. Census, 54.6 percent of the total housing units in the AA were owner-occupied, 31.9 percent were renter occupied, and 13.5 percent were vacant units. Of all owner-occupied units, 1.5 percent were in low-income CTs, and 20.4 percent were in moderate-income CTs. Of all occupied rental units, 8.1 percent were in low-income CTs, and 28.9 percent were in moderate-

income CTs. Of all vacant units, 4.3 percent were in low-income CTs, and 24.3 percent were in moderate-income CTs. The median housing value was \$206,000 and the median gross rent was \$1,156.

## Affordability

Based on data from the 2020 U.S. Census, low-income families within the Tampa MSA earned between \$2,905 and \$3,145 monthly while moderate-income families earned between \$4,649 and \$5,032. This calculation results in a maximum monthly mortgage payment, based on a 30 percent DTI ratio ranging from \$872 and \$943 for low-income borrowers and from \$1,395 and \$1,510 for moderate-income borrowers. Assuming a 30-year mortgage with a six percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the AA median housing value would be \$1,235. Based on these calculations, low-income borrowers would be severely challenged to afford a mortgage loan within the AA.

## Community Contact

Examiners utilized three community contacts performed during the evaluation period in this AA, including a local nonprofit organization that provides financial and homebuyer education, credit counseling, and home retention programs, a city economic opportunity department, and a lending consortium that facilitate private investment for community revitalization and neighborhood preservation. The contacts expressed a variety of needs throughout the Tampa MSA, including support for youth financial education and account access, improving the availability of affordable housing, and funding for community redevelopment zones. Additionally, they highlighted the need for more affordable bank products to counter the high number of predatory check cashers and lenders targeting LMI individuals, flexibility when opening bank accounts, fintech education for LMI people, and small business development.

## Tampa MSA

Assessment Area(s) - Tampa MSA						
2022 - 2024						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
<b>Geographies (CTs)</b>	610	5.3	23.9	37.2	29.9	3.8
<b>Population by Geography</b>	2,418,869	4.3	23.3	37.8	33.4	1.3
<b>Housing Units by Geography</b>	1,101,512	4.0	23.7	38.3	32.5	1.5
<b>Owner-Occupied Housing by Geography</b>	601,454	1.5	20.4	39.3	38.2	0.6
<b>Occupied Rental Units by Geography</b>	351,704	8.1	28.9	37.2	23.2	2.6
<b>Vacant Units by Geography</b>	148,354	4.3	24.3	37.1	31.6	2.6
<b>Businesses by Geography</b>	173,419	3.3	19.9	33.6	41.5	1.8
<b>Farms by Geography</b>	5,079	2.8	21.9	38.4	36.4	0.5
<b>Family Distribution by Income Level</b>	571,567	20.5	17.5	19.0	43.1	0.0
<b>Household Distribution by Income Level</b>	953,158	22.8	16.3	17.2	43.7	0.0
<b>Unemployment rate (%)</b>	5.1	10.2	6.4	5.0	3.9	3.9
<b>Households Below Poverty Level (%)</b>	12.5	34.5	17.9	11.4	7.0	16.3
<b>Median Family Income (41304 - St. Petersburg-Clearwater-Largo, FL MD)</b>	\$75,478			<b>Median Housing Value</b>	\$206,000	
<b>Median Family Income (45294 - Tampa, FL MD)</b>	\$69,728			<b>Median Gross Rent</b>	\$1,156	
<b>Median Family Income (41304 - St. Petersburg-Clearwater-Largo, FL MD) for 2024</b>	\$97,300			<b>Families Below Poverty Level</b>	8.9	
<b>Median Family Income (45294 - Tampa, FL MD) for 2024</b>	\$88,800					
FFIEC File - 2020 Census						
FFIEC File - 2024 Census						
2024 Dun & Bradstreet SBSF Demographics						
Due to rounding, totals may not equal 100%						
(*) The NA category consists of geographies that have not been assigned an income classification						

## Scope of Evaluation in Florida

Examiners conducted full-scope reviews on the Jacksonville MSA, Miami CSA, and Tampa MSA. The full-scope AAs account for 77.6 percent of statewide deposits. Areas that received limited scope reviews were the Cape Coral CSA, North Port MSA, Orlando CSA, and Palm Bay MSA (refer to appendix A for a list of all AAs). In selecting the full-scope AAs, examiners considered the bank's deposit and loan concentrations, branch distributions, and the time since the last full-scope review of each AA. For the full scope areas, the Miami CSA and Tampa MSA were given greater weight across all performance tests due to the larger percentage of statewide deposits and reportable loans.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN FLORIDA

### LENDING TEST

The bank's performance under the Lending Test in the state of Florida is rated Outstanding.

#### Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank's performance in the Jacksonville MSA, Miami CSA, and Tampa MSA was excellent.

#### Lending Activity

Lending levels reflected excellent responsiveness to AAs credit needs.

Table 3: Lending Activity									2022 - 2024
Number of Loans									
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Consumer	Total	% Rating Area Loans	% Rating Area Deposits	
Cape Coral CSA	334	1,508	0	4	0	1,846	11.9	5.3	
Jacksonville MSA	119	807	0	5	0	931	6.0	3.5	
Miami CSA	912	5,535	0	31	0	6,478	41.7	37.1	
North Port MSA	64	352	0	3	0	419	2.7	6.0	
Orlando CSA	194	1,691	0	2	0	1,887	12.1	10.4	
Palm Bay MSA	140	271	0	2	0	413	2.7	0.7	
Tampa MSA	834	2,695	0	24	0	3,553	22.9	37.0	
Broader Statewide and Regional Area	0	0	0	8	0	8	0.1	0.0	
<b>Total</b>	<b>2,597</b>	<b>12,859</b>	<b>0</b>	<b>79</b>	<b>0</b>	<b>15,535</b>	<b>100.0</b>	<b>100.0</b>	
Dollar Volume of Loans (\$000s)									
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Consumer	Total	% Rating Area Loans	% Rating Area Deposits	
Cape Coral CSA	162,931	29,142	0	23,310	0	215,383	7.6	5.3	
Jacksonville MSA	56,840	33,671	0	36,874	0	127,385	4.5	3.5	
Miami CSA	606,249	265,157	0	336,465	0	1,207,871	42.6	37.1	
North Port MSA	31,381	9,400	0	7,453	0	48,234	1.7	6.0	
Orlando CSA	148,740	50,506	0	48,036	0	247,282	8.7	10.4	
Palm Bay MSA	84,451	11,663	0	20,227	0	116,341	4.1	0.7	
Tampa MSA	535,772	128,213	0	153,268	0	817,253	28.8	37.0	
Broader Statewide and Regional Area	0	0	0	55,313	0	55,313	2.0	0.0	
<b>Total</b>	<b>1,626,364</b>	<b>527,752</b>	<b>0</b>	<b>680,946</b>	<b>0</b>	<b>2,835,062</b>	<b>100.0</b>	<b>100.0</b>	

Source: 1/1/2022 - 12/31/2024 Bank Data.

Due to rounding, totals may not equal 100%

\*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

## Jacksonville MSA

Lending levels exhibited excellent responsiveness to AA credit needs.

According to the June 30, 2024 FDIC Summary of Deposit Report, VNB had \$322.6 million in deposits in the Jacksonville MSA. VNB had a 0.3 percent deposit market share and ranked 16<sup>th</sup> out of 33 deposit taking institutions in the AA. The bank's deposit market share ranked in the top 48.5 percent. The top five banks by deposit market share were Bank of America, N.A., EverBank N.A., Wells Fargo, N.A., Truist Bank, and Ameris Bank. These five banks had a combined deposit market share of 89.4 percent.

According to 2023 peer mortgage data, VNB had a 0.1 percent market share of home mortgage originations. VNB's market share of home mortgage originations was weaker than its deposit market share. VNB's mortgage originations ranked 119<sup>th</sup> out of 732 home mortgage lenders. The bank's market share ranking of home mortgage loan originations, relative to all home mortgage lenders, was in the top 16.3 percent. VNB's market share ranking of home mortgage loan originations was stronger than its deposit market share. The top five home mortgage lenders by number of loans and market share were Regions Bank, America's First Federal Credit Union, PennyMac Loan Services LLC, United Wholesale Mortgage, and Rocket Mortgage. These five lenders had a combined home mortgage loan market share of 26 percent.

According to 2023 peer small business data, VNB had a one percent market share of small business loan originations. VNB's market share of small business loan originations stronger than its deposit market share. VNB's market share of small business loan originations ranked 15<sup>th</sup> out of 146 small business loan lenders. The bank's market share ranking of small business loan originations relative to all small business loan lenders was in the top 10.3 percent. The bank's market share ranking of small business loan originations was stronger than its deposit market share ranking. The top five small business lenders by number of loans and market share were American Express National Bank, JP Morgan Chase Bank, N.A., Bank of America, N.A., Capital One, N.A., and Citi Bank, N.A. These five lenders had a combined small business loan market share of 70.9 percent.

## Miami CSA

Lending levels exhibited excellent responsiveness to AA credit needs.

According to the June 30, 2024 FDIC Summary of Deposit Report, VNB had \$3.4 billion in deposits in the Miami CSA. VNB had a one percent deposit market share and ranked 19<sup>th</sup> out of 86 deposit taking institutions in the AA. The bank's deposit market share ranked in the top 22.1 percent. The top five banks by deposit market share were Bank of America, N.A., JP Morgan Chase Bank, N.A., Wells Fargo Bank, N.A., Citi Bank, N.A., and Truist Bank. These five banks had a combined deposit market share of 54.3 percent.

According to 2023 peer mortgage data, VNB had a 0.2 percent market share of home mortgage originations. VNB's market share of home mortgage originations was weaker than its deposit market share. VNB's mortgage originations ranked 89<sup>th</sup> out of 1,024 home mortgage lenders. The bank's market share ranking of home mortgage loan originations, relative to all home mortgage lenders, was in the top

8.7 percent. VNB's market share ranking of home mortgage loan originations was stronger than its deposit market share. The top five home mortgage lenders by number of loans and market share were United Wholesale Mortgage, Rocket Mortgage, JP Morgan Chase Bank, N.A., Lakeview Loan Servicing, LLC, and PennyMac Loan Services LLC. These five lenders had a combined home mortgage loan market share of 27.7 percent.

According to 2023 peer small business data, VNB had a 0.7 percent market share of small business loan originations. VNB's market share of small business loan originations weaker than its deposit market share. VNB's market share of small business loan originations ranked 15<sup>th</sup> out of 272 small business loan lenders. The bank's market share ranking of small business loan originations relative to all small business loan lenders was in the top 5.5 percent. The bank's market share ranking of small business loan originations was stronger than its deposit market share ranking. The top five small business lenders by number of loans and market share were JP Morgan Chase Bank, N.A., Bank of America, N.A., US Bank, N.A., Capital One, N.A., and Wells Fargo Bank, N.A. These five lenders had a combined small business loan market share of 94.6 percent.

#### Tampa MSA

Lending levels exhibited excellent responsiveness to AA credit needs.

According to the June 30, 2024 FDIC Summary of Deposit Report, VNB had \$3.4 billion in deposits in the Tampa MSA. VNB had a 3.1 percent deposit market share and ranked eighth out of 53 deposit taking institutions in the AA. The bank's deposit market share ranked in the top 15.1 percent. The top five banks by deposit market share were Raymond James Bank, Bank of America, N.A., Truist Bank, Wells Fargo Bank, N.A., and JP Morgan Chase Bank, N.A. These five banks had a combined deposit market share of 69.5 percent.

According to 2023 peer mortgage data, VNB had a 0.4 percent market share of home mortgage originations. VNB's market share of home mortgage originations was weaker than its deposit market share. VNB's mortgage originations ranked 60<sup>th</sup> out of 976 home mortgage lenders. The bank's market share ranking of home mortgage loan originations, relative to all home mortgage lenders, was in the top 6.1 percent. VNB's market share ranking of home mortgage loan originations was stronger than its deposit market share. The top five home mortgage lenders by number of loans and market share were United Wholesale Mortgage, Rocket Mortgage, PennyMac Loan Services LLC, Lakeview Loan Servicing LLC, and Suncoast Credit Union. These five lenders had a combined home mortgage loan market share of 24.7 percent.

According to 2023 peer small business data, VNB had a 1.3 percent market share of small business loan originations. VNB's market share of small business loan originations weaker than its deposit market share. VNB's market share of small business loan originations ranked 10<sup>th</sup> out of 187 small business loan lenders. The bank's market share ranking of small business loan originations relative to all small business loan lenders was in the top 5.3 percent. The bank's market share ranking of small business loan originations was stronger than its deposit market share ranking. The top five small business lenders by number of loans and market share were American Express National Bank, JP Morgan Chase Bank, N.A., Bank of America, N.A., Capital One, N.A., and Citi Bank, N.A. These five lenders had a combined small business loan market share of 73.8 percent.

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

The bank exhibited an excellent geographic distribution of loans in its AAs.

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

Refer to Table 7 in the state of Florida 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.

#### Jacksonville MSA

The geographic distribution of home mortgage loans was adequate. The bank's percentage of home mortgage loans in low-income geographies was significantly below the percentage of owner-occupied homes in those geographies and the aggregate distribution of loans. The bank did not originate any home mortgage loans in low-income geographies during the evaluation period. The percentage of home mortgage loans in moderate-income geographies was near to the percentage of owner-occupied homes in those geographies and the aggregate distribution of loans.

Examiners considered the limitations affecting the bank's home mortgage lending in low-income geographies. The bank has two branches in the Jacksonville MSA: one in St. Johns County, which has no low-income tracts, and another in Duval County, where 22 low-income tracts are primarily downtown, over eight miles away. Although there is a closer low-income tract to the north, it is separated by highways. Additionally, less than five percent of owner-occupied units are in low-income geographies compared to 21.6 percent in moderate-income geographies.

#### Miami CSA

The geographic distribution of home mortgage loans was excellent. The bank's percentage of home mortgage loans in low-income geographies exceeded the percentage of owner-occupied homes in those geographies and the aggregate distribution of loans. The percentage of home mortgage loans in moderate-income geographies equal to the percentage of owner-occupied homes in those geographies and the aggregate distribution of loans.

#### Tampa MSA

The geographic distribution of home mortgage loans was adequate. The bank's percentage of home mortgage loans in low-income geographies exceeded the percentage of owner-occupied homes in those geographies and the aggregate distribution of loans. The percentage of home mortgage loans in moderate-income geographies was well below the percentage of owner-occupied homes in those geographies and was below the aggregate distribution of loans.

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

Refer to Table 9 in the state of Florida 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.

### Jacksonville MSA

The geographic distribution of small loans to businesses was excellent. The bank's percentage of small loans to businesses in low-income geographies exceeded the percentage of businesses in those geographies and the aggregate distribution of loans. The percentage of small loans to businesses in moderate-income geographies was near to the percentage of businesses in those geographies but exceeded the aggregate distribution of loans.

### Miami CSA

The geographic distribution of small loans to businesses was excellent. The bank's percentage of small loans to businesses in low-income geographies exceeded the percentage of businesses in those geographies and the aggregate distribution of loans. The percentage of small loans to businesses in moderate-income geographies exceeded the percentage of businesses in those geographies and the aggregate distribution of loans.

### Tampa MSA

The geographic distribution of small loans to businesses was excellent. The bank's percentage of small loans to businesses in low-income geographies exceeded the percentage of businesses in those geographies and the aggregate distribution of loans. The percentage of small loans to businesses in moderate-income geographies exceeded the percentage of businesses in those geographies and the aggregate distribution of loans.

### ***Lending Gap Analysis***

Examiners reviewed summary reports and maps and analyzed home mortgage and small business lending activity to identify any gaps in the geographic distribution of loans in all full-scope AAs. Examiners did not identify any unexplained conspicuous gaps in any of the areas they reviewed.

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

The bank exhibits a good distribution of loans among individuals of different income levels and business and farms of different sizes, given the product lines offered by the institution.

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

Refer to Table 8 in the state of Florida 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.

### Jacksonville MSA

The distribution of home mortgage loans was adequate. The bank's percentage of home mortgage loans to low-income borrowers was significantly below the percentage of low-income families, but was near to the aggregate distribution of loans. The bank's percentage of home mortgage loans to moderate-income borrowers was below the percentage of moderate-income families but near to the aggregate distribution of loans.

### Miami CSA

The distribution of home mortgage loans was good. The bank's percentage of home mortgage loans to low-income borrowers was significantly below the percentage of low-income families, but exceeded the aggregate distribution of loans. The bank's percentage of home mortgage loans to moderate-income borrowers near to the percentage of moderate-income families and exceeded the aggregate distribution of loans.

### Tampa MSA

The distribution of home mortgage loans was poor. The bank's percentage of home mortgage loans to low-income borrowers was significantly below the percentage of low-income families and was well below the aggregate distribution of loans. The bank's percentage of home mortgage loans to moderate-income borrowers was significantly below the percentage of moderate-income families and was well below the aggregate distribution of loans.

Examiners noted the competitive landscape in the Tampa market, where the top 30 home mortgage lenders contribute approximately 58 percent of total lending, with 22 of these lenders being nonbanks. Additionally, recent hurricanes and spikes in insurance costs have made home buying more challenging in this AA.

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

Refer to Table 10 in the state of Florida section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

### Jacksonville MSA

The distribution of loans to businesses of different sizes was excellent. The bank's percentage of small loans to businesses with revenues of \$1 million or less was near to the percentage of businesses with gross annual revenues of \$1 million or less but exceeded the aggregate distribution of small loans to businesses.

### Miami CSA

The distribution of loans to businesses of different sizes was good. The bank's percentage of small loans to businesses with revenues of \$1 million or less was below the percentage of businesses with gross annual revenues of \$1 million or less but exceeded the aggregate distribution of small loans to businesses.

### Tampa MSA

The distribution of loans to businesses of different sizes was good. The bank's percentage of small loans to businesses with revenues of \$1 million or less was below the percentage of businesses with gross annual revenues of \$1 million or less but exceeded the aggregate distribution of small loans to businesses.

## Community Development Lending

The institution was a leader in making CD loans. CD lending had a positive impact on the Lending Test conclusion in the state of Florida.

Refer to Table 3 in the Lending Activity section for the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

### Jacksonville MSA

During the evaluation period, VNB originated five loans totaling \$36.9 million. CD loan volume was equivalent of 92.1 percent of allocated tier 1 capital. The bank's CD lending supported affordable housing and community services of LMI areas. By dollar volume, \$20 million (54.2 percent) funded affordable housing and \$16.9 million (45.8 percent) funded community services targeted to LMI individuals.

The following are examples of CD loans in the AA:

- The bank originated a \$20 million commercial mortgage to support the renovation of a 320-unit apartment complex located in a moderate-income CT, with approximately 71 percent of the units considered affordable or below HUD Fair Market Rent guidelines.
- The bank extended a \$16.8 million construction loan to finance a new grocery-anchored retail center in an area with low supermarket access. The development will enhance food access for surrounding LMI communities, helping mitigate local food deserts. Over 40 percent of the populations where the retail center is located are LMI.
- The bank provided a \$50,000 line of credit to a nonprofit, community-based resource center dedicated to improving the lives of women and supporting survivors of sexual assaults. The center offers various services including community education, counseling, sexual assault prevention services, and breast cancer education. The majority of the individuals the organization supports are LMI.

### Miami CSA

During the evaluation period, VNB originated 30 loans totaling \$336.5 million or 78.8 percent of allocated tier 1 capital. The bank's CD loans were particularly responsive to community services. By dollar volume, \$280.4 million (83.3 percent) funded community services targeted to LMI individuals, \$27.8 million (8.3 percent) funded affordable housing, \$17.8 million (5.3 percent) funded revitalization and stabilization efforts in LMI geographies, and \$10.5 million (3.1 percent) funded economic development activities.

The following are examples of CD loans in the AA:

- The bank originated a \$9.1 million commercial mortgage to support a local government housing authority that provides affordable housing stock to low-income families through rental assistance programs. The financing facilitated the purchase of a property that will accommodate a nonprofit agency offering foster care services for LMI children and families.

- The bank extended a \$3.5 million line of credit to a long-term skilled nursing facility in the AA. The majority of the patients are eligible for Medicaid, with Medicaid bed days exceeding 80 percent.
- The bank extended a \$1 million line of credit to a nonprofit organization to support the development of a 48-unit affordable housing project in a moderate-income CT. These affordable apartments will be constructed using sustainable and green practices, incorporating energy-efficient features that offer additional savings to residents, many of whom are burdened by housing costs.

### Tampa MSA

During the evaluation period, VNB originated 23 loans totaling \$153.3 million or 36 percent of allocated tier 1 capital. The bank's CD loans were particularly responsive to revitalization and stabilization efforts in the LMI geographies. By dollar volume, \$117.6 million (76.7 percent) supported revitalization and stabilization efforts, \$17.5 million (11.4 percent) funded economic development activities, \$14.2 million (9.2 percent) funded affordable housing, and \$4 million (2.6 percent) funded community services targeted to LMI individuals.

The following are examples of CD loans the bank originated or purchased in the AA:

- The bank provided a \$1.7 million loan for the acquisition of two parcels in a moderate-income CT in Tampa, FL. The planned development will result in a 204-unit affordable housing project contributing to the revitalization of downtown Tampa and the Ybor City communities.
- The bank funded a \$67 million construction loan for a 317-unit multifamily complex in a low-income CT. The development represents the initial phase of a broader municipal plan to redevelop a 50-acre area between Ybor City and Tampa, incorporating residential growth, mixed-used development and transit-oriented design.
- The bank originated two SBA-504 loans totaling \$3.8 million to finance the acquisition and development of two commercial condominium units in a moderate-income CT. The financing supports the relocation and expansion of small businesses into the area, with plans for job creation and employee retention.

### Broader Statewide Regional CD lending

Because VNB was responsive to community development needs and opportunities in its AA, examiners considered CD loans in the broader statewide and regional areas that include the bank's AA, but do not have a purpose, mandate, or function to specifically serve the AA. CD lending in the broader statewide area consisted of eight loans totaling \$55.3 million. These loans primarily supported community services targeted to LMI individuals. By dollar volume, \$49.4 million (89.3 percent) funded community services, \$3.8 million (6.9 percent) funded economic development activities, and \$2.1 million (3.8 percent) funded affordable housing. This CD loan had a neutral impact and supported the Lending Test conclusion.

## Product Innovation and Flexibility

The institution used innovative and/or flexible lending practices in order to serve AA credit needs to both consumers and small business owners. Refer to the “Other Factors Considered in our Analysis under Performance Tests” section for additional details regarding home mortgage and small business lending programs. During the evaluation period VNB participated in the following programs:

- Community Advantage Purchase Program – originated 93 loans totaling \$15.1 million;
- Community Plus Purchase Program - originated 72 loans totaling \$20 million;
- Community Advantage Refinance - originated 13 loans totaling \$1.8 million;
- Community Land Trust & Deed Restrictions – originated four loans totaling \$670,155
- Community Small Business Lending Loans – originated 345 loans totaling \$8.3 million;
- Home Possible - originated five loans totaling \$874,800;
- Home Ready – originated 10 loans totaling \$1.6 million;
- FHA Home Mortgage - originated 24 loans totaling \$7.8 million;
- Veteran Administration Home Mortgage – originated eight loans totaling \$3.3 million;
- HFA Preferred Heroes & FL First Loan – originated seven loans totaling \$2 million; and
- SBA 7(a) loans – originated 77 loans totaling \$80.7 million.

## Conclusions for Areas Receiving Limited-Scope Reviews

Refer to Tables 7 through 14 in the state of Florida section of appendix D for the facts and data that support the limited-scope conclusions.

Based on limited-scope reviews, the bank’s performance under the Lending Test in the Cape Coral CSA, Northport MSA, Orlando CSA, and Palm Bay MSA was consistent with the bank’s overall performance under the Lending Test in the full-scope areas. The bank’s performance in the limited-scope AAs had a neutral impact on the Lending Test conclusion for the state of Florida. Refer to Tables 7 through 14 in the state of Florida section of appendix D for the facts and data that support the limited-scope conclusions.

## INVESTMENT TEST

The bank’s performance under the Investment Test in Florida is rated High Satisfactory.

## Conclusions for Areas Receiving Full-Scope Reviews

Based on a full-scope review, the bank’s performance in the Jacksonville MSA was excellent. Based on full-scope reviews, the bank’s performance in the Miami CSA and Tampa MSA was good.

The institution had a significant level of qualified CD investments, including grants, occasionally in a leadership position, particularly those that are not routinely provided by private investors.

The institution exhibited good responsiveness to credit and community development needs. The institution occasionally used innovative and/or complex investments to support CD initiatives.

## Number and Amount of Qualified Investments

Assessment Area	Table 4: Qualified Investments*								2022-2024	
	Prior Period		Current Period		Total			Unfunded Commitments		
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Cape Coral CSA	9	3,842	14	19,263	23	3.5	23,105	23.9	0	0
Jacksonville MSA	6	3,011	35	1,224	41	6.1	4,235	4.4	0	0
Miami CSA	40	22,872	190	5,298	230	34.4	28,170	29.2	0	0
North Port MSA	7	2,757	23	3,551	30	4.5	6,308	6.5	0	0
Orlando CSA	15	4,972	98	4,210	113	16.9	9,182	9.5	0	0
Palm Bay MSA	3	263	17	634	20	3.0	897	0.9	0	0
Tampa MSA	22	21,304	172	3,097	194	29.1	24,401	25.3	0	0
Broader Statewide or Regional Area	0	0	17	271	17	2.5	271	0.3	0	0
<b>Total</b>	<b>102</b>	<b>59,021</b>	<b>566</b>	<b>37,548</b>	<b>668</b>	<b>100.0</b>	<b>96,569</b>	<b>100.0</b>	<b>0</b>	<b>0</b>

\*The table presents the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

### Jacksonville MSA

The dollar volume of current- and prior-period investments represented 10.6 percent of allocated tier 1 capital. VNB had 41 qualified investments and grants in the AA totaling \$4.2 million. Of these qualified investments and grants, \$2.9 million (69 percent) were related to affordable housing, \$1.1 million (26.1 percent) supported economic development activities, and \$206,624 (4.9 percent) supported community services targeted to LMI individuals.

The following are examples of qualified investments in the AA:

- The bank purchased a \$984,317 MBS that is backed by CRA-eligible residential mortgages for LMI borrowers within the bank's AA.
- The bank participated in the Florida Tax Credit (FTC) Scholarship program with a contribution of \$141,374. This program offers tax credit incentives to investors who provide capital to expand educational opportunities for children from families with limited financial resources. Established in 2001, the FTC Scholarship aims to offer low-income students learning options that are otherwise inaccessible due to their financial circumstances.
- The bank provided \$30,000 in grants to a program which provides affordable, multi-family rental housing specifically designed for low-income families and individuals who have experienced or are at risk of homelessness.

### Miami CSA

The dollar volume of current- and prior-period investments represented 6.6 percent of allocated tier 1 capital. VNB had 230 qualified investments and grants in the AA totaling \$28.2 million. Of these qualified investments and grants, \$26.5 million (94.1 percent) were related to affordable housing, \$912,526 (3.2 percent) supported community services targeted to LMI individuals, \$732,573 (2.6

percent) supported economic development activities, and \$26,000 (0.1 percent) supported revitalization and stabilization efforts in LMI geographies.

The following are examples of qualified investments in the AA:

- The bank purchased four MBS investments totaling \$4.1 million that are backed by CRA-eligible residential mortgages for LMI borrowers within the bank's AA.
- The bank donated \$30,000 to a nonprofit organization that provides essential resources and support for small businesses from underserved communities. Approximately 90 percent of the organization's clients are individuals and small businesses from underserved communities.
- The bank provided \$15,000 in grants to support the mission of empowering low-income students through a comprehensive seven-week financial literacy program. The organization is dedicated to advancing educational opportunities and socio-economic mobility for low-income students.

#### Tampa MSA

The dollar volume of current- and prior-period investments represented 5.7 percent of allocated tier 1 capital. VNB had 194 qualified investments and grants in the AA totaling \$24.4 million. Of these qualified investments and grants, \$21.0 million (86 percent) were related to affordable housing, \$2.1 million (8.8 percent) supported economic development activities, \$736,086 (3 percent) supported community services targeted to LMI individuals, and \$530,000 (2.2 percent) supported revitalization and stabilization efforts in LMI geographies.

The following are examples of qualified investments in the AA:

- The bank made a \$2 million equity equivalent investment in an economic development corporation serving East Tampa, aimed at reducing disparities in education, employment, housing, and private investment. This investment supported the corporation's impact fund, which tackles Tampa Bay's affordability crisis by addressing the challenges of rising rents and housing prices. The fund targets LMI homebuyers and has a pipeline of 19 scattered sites in the Tampa Bay area consisting of 107 affordable housing units.
- The bank provided \$20,000 in grants to a nonprofit that provides nutritious meals, emergency food relief, and promotes nutrition education and community partnerships to address unemployment and housing instability. The organization distributes millions of meals annually to combat hunger and foster a healthier community.
- The bank provided \$15,000 in grants to a HUD-approved nonprofit housing counseling agency that advocates for affordable housing. The agency offers a range of services, including homebuyer education, down payment assistance, post-purchase counseling, foreclosure intervention and mediation, and assistance through the Hardest Hit Fund.

#### Broader Statewide Regional Qualified Investments

Because the bank was responsive to community development needs and opportunities in its AA, examiners considered investments in the broader statewide and regional areas that include the bank's

AA but do not have a purpose, mandate, or function to specifically serve the AA. These investments totaled \$271,267 and primarily supported community services targeted to LMI individuals in the areas. These investments and grants had a neutral impact and supported the Investment Test conclusion.

## Conclusions for Areas Receiving Limited-Scope Reviews

Based on a limited-scope review, the bank's performance under the Investment Test in the Orlando CSA was consistent with the bank's overall performance under the Investment Test in the full-scope areas. Based on limited-scope reviews, the Cape Coral CSA, North Port MSA, and Palm Bay MSA exhibited stronger performance than full-scope areas. Stronger performance was due to higher percentage of qualified investments and grants compared to allocated tier 1 capital. The bank's performance in limited-scope AAs had a neutral impact on the Investment Test conclusion for the state of Florida.

## SERVICE TEST

The bank's performance under the Service Test in Florida is rated High Satisfactory.

## Conclusions for Areas Receiving Full-Scope Reviews

Based on a full-scope review, the bank's performance in the Miami MSA was excellent. Based on full-scope reviews, the bank's performance in Jackson MSA was good and Tampa MSA was adequate.

Examiners evaluated the data as outlined in the Scope of Evaluation section including bank-provided data on usage of branches adjacent to LMI geographies by individuals residing in those geographies and the usage of alternative delivery systems.

## Retail Banking Services

Service delivery systems were accessible to geographies and individuals of different income levels in the institution's AAs.

Assessment Area	Deposits	Branches						Population					2022 - 2024
		# of Bank Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)					% of Population within Each Geography				
				Low	Mod	Mid	Upp	NA	Low	Mod	Mid	Upp	NA
	Cape Coral CSA		5.3	4	9.8	0.0	25.0	50.0	25.0	0.0	3.9	23.0	44.6
Jacksonville MSA	3.5	2	4.9	0.0	50.0	50.0	0.0	0.0	6.2	27.2	35.6	30.3	0.7
Miami CSA	37.1	14	34.1	7.1	7.1	7.1	71.6	7.1	4.7	27.9	31.7	34.3	1.5
North Port MSA	6.1	1	2.1	0.0	0.0	100.0	0.0	0.0	0.9	16.6	50.2	31.9	0.3
Orlando CSA	10.4	7	17.1	0.0	14.3	14.3	71.4	0.0	3.1	24.3	35.2	36.1	1.3
Palm Bay MSA	0.7	1	2.4	0.0	100.0	0.0	0.0	0.0	2.7	21.4	45.0	30.5	0.4
Tampa MSA	37.0	12	29.3	0.0	41.7	25.0	25.0	8.3	4.3	23.3	37.8	33.4	1.3
<b>Total</b>	100.0	41	100.0	2.4	24.4	22.0	46.3	4.9	4.2	25.5	35.7	33.4	1.2

Source: FFIEC File - 2020, 2024 Census; 1/1/2022 - 12/31/2024 Bank Data; Due to rounding, totals may not equal 100%

\* The table presents the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

### Jacksonville MSA

Service delivery systems were accessible to geographies and individuals of different income levels in the AA.

The bank's distribution of branches in low-income geographies was significantly below the population residing in those areas, while its distribution in moderate-income geographies exceeded the population percentage. VNB had two branches in the AA with one branch in a moderate-income CT. The bank did not have any branches in low-income CTs. Examiners further considered one middle-income branch that served LMI persons or geographies within the AA enhancing access and positively impacting the retail banking services conclusion. The branch was located within 1,000 feet of a moderate-income tract in the AA.

VNB supplements its traditional service delivery methods with ADS, including deposit-taking ATMs, remote check deposit, online and mobile banking, Zelle®, electronic bill-pay, e-statements, text banking alerts, telephone, and online account opening. The bank provided an analysis report of these delivery channels which showed customer usage of these systems in LMI CTs. Based on the data, these channels provided additional delivery availability and access to banking services to LMI retail customers. Over 44.4 percent of customers in low-income CTs and 51.8 percent of customers in moderate-income CTs enrolled in online banking, while 29.6 percent and 33.9 percent used mobile banking, respectively. The bank's ADS had a neutral impact and supported the bank's retail banking services conclusion in this AA. The bank had one deposit-taking ATMs in the AA, located in a moderate-income CT. ATM distribution is consistent with the branch distributions.

The bank also offered affordable and flexible deposit products and retail services, such as the Valley Journey, Valley Milestone, Valley My Choice, and Valley Nonprofit Organization checking accounts. These products offer combinations of no monthly or overdraft fees, low minimum balances, and free unlimited transactions which addressed LMI community needs.

### Miami CSA

Service delivery systems were readily accessible to geographies and individuals of different income levels in the AA.

The bank's distribution of branches in low-income geographies exceeded the percentage of the population residing in those areas, while its distribution in moderate-income geographies was well below the population percentage. The bank had 14 branches in the AA, with one branch in a low-income CT and one in a moderate-income CT. Examiners also considered three MUI branches that enhanced access to banking services for LMI individuals or geographies within the AA. One middle-income branch was within 1,000 feet of a moderate-income CT, and one upper-income branch was within 1,000 feet of a low-income CT. Additionally, examiners reviewed data on accounts held at MUI branches located more than 1,000 feet but within a 0.5-mile radius of LMI CTs and determined that one upper-income branch was serving the nearby LMI individuals or geographies. The bank's MUI branches had a positive impact on the retail banking services conclusion.

VNB supplements its traditional service delivery methods with ADS, including deposit-taking ATMs, remote check deposit, online and mobile banking, Zelle®, electronic bill-pay, e-statements, text banking alerts, telephone, and online account opening. The bank provided an analysis report of these delivery

channels which showed customer usage of these systems in LMI CTs. Based on the data, these channels provided additional delivery availability and access to banking services to LMI retail customers. Almost 60 percent of customers in low-income CTs and 48.6 percent of customers in moderate-income CTs enrolled in online banking, while 42 percent and 28.8 percent used mobile banking, respectively. The bank's ADS had a neutral impact and supported the bank's retail banking services conclusion in this AA. The bank had 13 deposit-taking ATMs in the AA, three of which are in LMI CTs. The distribution of ATMs is consistent with the branch distributions.

The bank also offered affordable and flexible deposit products and retail services, such as the Valley Journey, Valley Milestone, Valley My Choice, and Valley Nonprofit Organization checking accounts. These products offer combinations of no monthly or overdraft fees, low minimum balances, and free unlimited transactions which addressed LMI community needs. Based upon the usage report provided by the bank, 64.7 percent of customers who opened a Valley Journey account in 2024 are in LMI CTs.

#### Tampa MSA

Service delivery systems were reasonably accessible to geographies and individuals of different income levels in the AA.

The bank's distribution of branches in low-income geographies was significantly below the percentage of the population residing in those areas, while its distribution in moderate-income geographies exceeded the population percentage. VNB had 12 branches in the AA. The bank had no branches in low-income CTs but operated five branches in moderate-income CTs.

VNB supplements its traditional service delivery methods with ADS, including deposit-taking ATMs, remote check deposit, online and mobile banking, Zelle®, electronic bill-pay, e-statements, text banking alerts, telephone, and online account opening. The bank provided an analysis report of these delivery channels which showed customer usage of these systems in LMI CTs. Based on the data, these channels provided additional delivery availability and access to banking services to LMI retail customers. Over 61.2 percent of customers in low-income CTs and 59.7 percent of customers in moderate-income CTs enrolled in online banking, while 43.3 percent and 38 percent used mobile banking, respectively. The bank alternative delivery systems had a neutral impact and supported the bank's retail banking services conclusion in this AA. The bank had 13 deposit-taking ATMs in the AA, five of which are in LMI CTs. The distribution of ATMs is consistent with the branch distributions.

The bank also offered affordable and flexible deposit products and retail services, such as the Valley Journey, Valley Milestone, Valley My Choice, and Valley Nonprofit Organization checking accounts. These products offer combinations of no monthly or overdraft fees, low minimum balances, and free unlimited transactions which addressed LMI community needs.

**Table 6: Distribution of Branch Openings/Closings**

Assessment Area	# of Branch Openings	# of Branch Closings	Net change in Location of Branches				
			Low	Mod	Mid	Upp	NA
Cape Coral CSA	0	0	0	0	0	0	0
Jacksonville MSA	0	0	0	0	0	0	0
Miami CSA	2	1	0	0	0	+1	0
North Port MSA	0	1	0	-1	0	0	0
Orlando CSA	0	0	0	0	0	0	0
Palm Bay MSA	0	0	0	0	0	0	0
Tampa MSA	0	0	0	0	0	0	0
<b>Total</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>-1</b>	<b>0</b>	<b>+1</b>	<b>0</b>

1/1/2022 - 12/31/2024 Bank Data.

\* The table presents the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

### Jacksonville MSA

The bank did not open or close any branches in the AA during the evaluation period

Services, including where appropriate, and business hours, did not vary in a way that inconveniences the various portions of its AA, particularly LMI geographies and/or individuals. All branches in the MSA are open Monday through Friday from 9:00 a.m. to 5:00 p.m. All retail banking services offered are available in LMI geographies.

### Miami CSA

To the extent changes have been made, the institution's opening and closing of branches has not affected the accessibility of its delivery systems, particularly in LMI geographies and/or to LMI individuals. VNB opened one branch in upper-income geography. The other opening and closing are for the same branch in an upper-income geography which was part of a bank acquisition and were subsequently closed.

Services, including where appropriate, and business hours, did not vary in a way that inconveniences the various portions of its AA, particularly LMI geographies and/or individuals. All branches in the MSA are open Monday through Friday from 9:00 a.m. to 5:00 p.m. All retail banking services offered are available in LMI geographies.

### Tampa MSA

The bank did not open or close any branches in the AA during the evaluation period.

Services, including where appropriate, and business hours, did not vary in a way that inconveniences the various portions of its AA, particularly LMI geographies and/or individuals. All branches in the MSA are open Monday through Friday from 9:00 a.m. to 5:00 p.m. All retail banking services offered are available in LMI geographies.

## Community Development Services

The institution provided a relatively high level of CD services.

### Jacksonville MSA

Five VNB employees held leadership positions as board or committee members for six CD organizations in the AA, accounting for 340 hours during the evaluation period. Additionally, four employees provided 77 hours of volunteer service to five CD organizations during the evaluation period. The organizations focused on economic development, including technical assistance to small businesses, and community services, including financial education to LMI individuals and food bank distribution support.

Examples of qualified CD service activity in this AA include:

- A commercial banking relationship manager provided 192 service hours as a board member for two different community service organizations. These organization's missions include economic development, financial education, and support for health and wellness services for underserved communities. The manager assisted in strategic planning, financial oversight and developing partnerships to support the organizations' missions.
- One employee provided 39 hours of volunteer work to provide food bank and food distribution support in response to food insecurity issues for LMI individuals resulting from the Covid-19 pandemic.
- An area manager provided 22 hours of financial education and technical assistance to two organizations focused on serving inner city children and under-served youth and families to provide them with the assistance and education needed to live responsible and productive lives.

### Miami CSA

Thirty-eight VNB employees held leadership positions as board or committee members for 63 CD organizations in the AA, accounting for 2,305 hours during the evaluation period. Additionally, 41 employees provided 2,248 hours of volunteer service to 32 organizations during the evaluation period. The organizations focused on affordable housing, including home ownership education; economic development, including technical assistance to small businesses; and community services, including financial education to LMI individuals and food bank distribution support.

Examples of qualified CD service activity in this AA include:

- A commercial loan officer provided 120 service hours as a board member of an organization focused on transitioning individuals and families from poverty to self-sufficiency through agency programs and partnerships. The employee served as co-chairman and treasurer, overseeing budgeting and financial reporting, and maintaining compliance with federal regulations.
- A senior manager provided 112 service hours as a board member for a community development organization focused on providing affordable, permanent housing for low-income individuals

with mental illnesses. The employee contributed to the strategic focus of the organization, providing financial expertise and insight, financial planning and risk management skills.

- A commercial banking relationship manager provided 160 hours of as a board member of an organization focused on assisting LMI youth prepare to succeed through promoting financial education, work and career readiness and critical life skills. The manager served as chairman of the finance committee.

#### Tampa MSA

Thirty-six VNB employees held leadership positions as board or committee members for 41 CD organizations in the AA, accounting for 1,191 hours during the evaluation period. Additionally, over 110 employees provided 1,010 hours of volunteer service to 37 organizations during the evaluation period. The organizations focused on affordable housing; including home ownership education; economic development, including technical assistance to small businesses; and community services, including financial education to LMI individuals and food bank distribution support.

Examples of qualified CD service activity in this AA include:

- A business banker provided 120 service hours as a board member of a non-profit organization that provides a diverse array of programs targeted to assist LMI women succeed both personally and professionally. The employee served as treasurer, managed budgets and oversaw financial reporting processes.
- A senior manager provided 119 hours as a board member for an organization focused on serving the economic needs of the homeless, the disadvantaged, and underserved youth. The employee served as treasurer and contributed financial and operational expertise, as well as risk management strategies to the organization.
- Five employees provided a total of 25 hours of homeownership education to LMI individuals during a first-time homebuyers' course through a HUD approved housing counseling agency. Topics included understanding the homebuying process, budgeting and mortgage options.

#### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on a limited-scope reviews, the bank's performance under the Service Test in the Orlando CSA was consistent with the bank's overall performance under the Service Test in the full-scope areas. The bank's performance in the Cape Coral CSA, North Port MSA, and Palm Bay MSA was weaker than the bank's overall performance under the Service Test in the full-scope areas. Weaker performance was due to a lesser percentage of branches in LMI geographies as compared to the percentage of the population living within those geographies. The bank's performance in limited-scope AAs had a neutral impact on the Service Test conclusion for the state of Florida.

## State of New Jersey

**CRA rating for the State of New Jersey<sup>2</sup>:** Satisfactory

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

**The Investment Test is rated:** Outstanding

**The Service Test is rated:** Needs to Improve

The major factors that support this rating include:

- An excellent level of lending activity;
- A poor geographic distribution of home mortgage loans and small loans to businesses;
- A good borrower distribution of home mortgage loans and small loans to businesses;
- An excellent level of CD loans that had a positive impact in the lending test conclusion;
- The use of innovative and/or flexible lending practices to serve AA credit needs;
- An excellent level of qualified investments and grants with excellent responsiveness to credit and community development needs;
- Retail service delivery systems that are unreasonably accessible to geographies and individuals of different income levels in the bank's AA; and
- An adequate level of CD services that are responsive to AA needs.

## Description of Institution's Operations in New Jersey

The state of New Jersey represented VNB's smallest rating area out of four rating areas, with 0.5 percent of bank-wide deposits. As of June 30, 2024, the bank delineated one AA within the state of New Jersey, the Allentown-Bethlehem-Easton, PA-NJ MSA (Allentown MSA). The Allentown MSA consisted of Warren County in NJ. The AAs met the requirements of the regulation and do not arbitrarily exclude any LMI geographies. Please refer to appendix A for a complete listing of AAs, including type of review and description of AA boundaries. VNB offered a full range of loan and deposit products and services through the three full-service branches and three deposit-taking ATMs located in the AA.

According to the June 30, 2024 FDIC Market Share Report, VNB held \$245.1 million in deposits in the Allentown MSA, ranking fifth out of 10 institutions and representing 7.5 percent of the deposit market share in this AA.

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<sup>2</sup> For institutions with branches in two or more states in a multistate metropolitan area, this statewide evaluation does not reflect performance in the parts of this state contained within the multistate metropolitan area. Refer to the multistate metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

During the evaluation period, VNB originated 109 home mortgage and 157 small loans to businesses in the AA, representing 1.1 percent and 0.6 percent of its total bank-wide home mortgage and small business loans, respectively. Dollar volume of home mortgage and small loans to businesses in this AA accounted for 0.6 percent of VNB's total bank-wide home mortgage and 0.5 percent of small business loans.

## **Employment and Economic Factors**

Nationally, the unemployment rate, as measured by the U.S. Bureau of Labor Statistics, inched up by 10 basis points to 5.8 percent over the evaluation period. In contrast, New Jersey experienced a 12 percent decline in unemployment, with Warren County recording an even sharper decrease of 23 percent. These improvements in the state's labor force conditions parallel the expansion in payrolls, underscoring the state's broader economic rebound following the disruptions of the COVID-19 pandemic.

According to the September 2024 Moody's Analytics report, the Allentown MSA economy is outperforming its peers, with strong nonfarm payroll growth driven by healthcare and logistics. The unemployment rate is at record lows, and residential construction remains robust. The region's strategic location boosts its logistics sector, which is recovering well. Healthcare remains vital but is facing potential job growth slowdowns due to demographic shifts. Manufacturing has a mixed outlook, but Infinera's planned semiconductor facility in Bethlehem offers promising opportunities for diversification and job creation.

Allentown MSA's strengths include its proximity to East Coast ports and densely populated metro division, which enhances its logistical capabilities. The region also benefits from below-average costs of living and doing business, making it an attractive location for both residents and companies. Additionally, encouraging migration trends contribute to the area's economic vitality and growth potential. The area experiences above-average employment volatility compared to the national average, posing challenges to job stability and economic resilience.

The top five non-public employers within the MSA are Lehigh Valley Health Network, St. Luke's University Health Network, Walmart, Inc., Dorney Park/ Wildwater Kingdom, and Mack Trucks. Despite the increase in opportunities, a significant portion of the positions created in these industries continue to fall below New Jersey's average wage level.

## **Housing**

Based on the information from the 2020 U.S. Census, 67.7 percent of the total housing units in the Allentown MSA were owner-occupied, 25.3 percent were renter occupied, and 7.1 percent were vacant units. Of all owner-occupied units, 11.5 percent were in moderate-income CTs. Of all occupied rental units, 22.6 percent were in moderate-income CTs. Of all vacant units, 24.1 percent were in moderate-income CTs. The weighted average median housing value was \$276,000 and the weighted average monthly gross rent was \$1,191.

## **Affordability**

Based on data from the 2020 U.S. Census low-income families within the Allentown MSA earned \$3,528 monthly, while moderate-income families earned \$5,645. This calculated to a maximum monthly mortgage, at 30 percent DTI, a payment of \$1,058 for low-income borrowers and \$1,694 for moderate-income borrowers. Assuming a 30-year mortgage with a 6 percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly

mortgage payment for a home at the Allentown MSA median housing value would be \$1,655. Low-income borrowers would be severely challenged to afford a mortgage loan in this AA.

## Community Contact

We utilized two community contacts performed during the evaluation period in this AA. The first contact was an organization that provides programs and services to support housing, food distribution, and home weatherization for low-income individuals and families. The second contact was an organization that focuses on education, health, and financial stability. The contacts emphasized LMI households in the area continue to experience significant financial pressure, primarily due to rising household and utility costs coupled with a limited supply of affordable housing. These challenges have contributed to increased reliance on food assistance programs and a notable rise in eviction activity. Community contacts further noted the importance of strengthening financial literacy initiatives and expanding access to mainstream banking services to enhance the long-term financial stability of LMI communities.

## Allentown MSA

Assessment Area(s) - Allentown MSA						
2022 - 2024						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
<b>Geographies (CTs)</b>	23	0.0	17.4	34.8	47.8	0.0
<b>Population by Geography</b>	109,632	0.0	13.9	31.8	54.3	0.0
<b>Housing Units by Geography</b>	45,548	0.0	15.2	31.7	53.1	0.0
<b>Owner-Occupied Housing by Geography</b>	30,816	0.0	11.5	28.0	60.5	0.0
<b>Occupied Rental Units by Geography</b>	11,506	0.0	22.6	42.9	34.5	0.0
<b>Vacant Units by Geography</b>	3,226	0.0	24.1	27.7	48.2	0.0
<b>Businesses by Geography</b>	4,786	0.0	10.9	32.1	57.0	0.0
<b>Farms by Geography</b>	339	0.0	3.0	32.5	64.6	0.0
<b>Family Distribution by Income Level</b>	28,311	14.3	14.7	20.8	50.2	0.0
<b>Household Distribution by Income Level</b>	42,322	19.6	13.3	17.3	49.8	0.0
<b>Unemployment rate (%)</b>	5.8	0.0	5.0	5.4	6.2	0.0
<b>Households Below Poverty Level (%)</b>	7.5	0.0	15.8	7.7	5.1	0.0
<b>Median Family Income (10900 - Allentown-Bethlehem-Easton, PA-NJ MSA)</b>	\$84,676			<b>Median Housing Value</b>	\$276,000	
<b>Median Family Income (10900 - Allentown-Bethlehem-Easton, PA-NJ MSA) for 2024</b>	\$101,400			<b>Median Gross Rent</b>	\$1,191	
				<b>Families Below Poverty Level</b>	4.6	
FFIEC File - 2020 Census						
FFIEC File - 2024 Census						
2024 Dun & Bradstreet SBSF Demographics						
Due to rounding, totals may not equal 100%						
(*) The NA category consists of geographies that have not been assigned an income classification						

## Scope of Evaluation in New Jersey

The bank had one AA in the state of New Jersey, the Allentown MSA.

There are no low-income CTs in the Allentown MSA. Conclusions for geographical distribution of loans are solely based on performance in moderate-income CTs.

## LENDING TEST

The bank's performance under the Lending Test in New Jersey is rated High Satisfactory.

## Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the Allentown MSA was good.

### Lending Activity

Lending levels reflected excellent responsiveness to AA credit needs.

Table 3: Lending Activity									2022 - 2024
Number of Loans									
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Consumer	Total	% Rating Area Loans	% Rating Area Deposits	
Allentown MSA	109	157	0	5	0	271	100.0	100.0	
<b>Total</b>	<b>109</b>	<b>157</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>271</b>	<b>100.0</b>	<b>100.0</b>	
Dollar Volume of Loans (\$000s)									
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Consumer	Total	% Rating Area Loans	% Rating Area Deposits	
Allentown MSA	38,867	6,217	0	6,055	0	51,139	100.0	100.00	
<b>Total</b>	<b>38,867</b>	<b>6,217</b>	<b>0</b>	<b>6,055</b>	<b>0</b>	<b>51,139</b>	<b>100.00</b>	<b>100.00</b>	

Source: 1/1/2022 - 12/31/2024 Bank Data.

Due to rounding, totals may not equal 100%.

\*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

According to the June 30, 2024 FDIC Summary of Deposit Report, VNB had \$245.1 million in deposits in the Allentown MSA. VNB had a 7.5 percent deposit market share and ranked fifth out of 10 deposit taking institutions in the AA. The bank's deposit market share ranked in the top 50 percent. The top five banks by deposit market share were PNC Bank, N.A., Wells Fargo Bank, N.A., First Hope Bank, N.A., Fulton Bank, N.A., and Valley National Bank. These five banks had a combined deposit market share of 71.7 percent.

According to 2023 peer mortgage data, VNB had a 1.2 percent market share of home mortgage originations. VNB's market share of home mortgage originations was weaker than its deposit market share. VNB's mortgage originations ranked 19<sup>th</sup> out of 265 home mortgage lenders. The bank's market share ranking of home mortgage loan originations, relative to all home mortgage lenders, was in the top 7.2 percent. VNB's market share ranking of home mortgage loan originations was stronger than its deposit market share. The top five home mortgage lenders by number of loans and market share were PNC Bank, N.A., Rocket Mortgage, PennyMac Loan Services LLC, Guaranteed Rate Inc., and CrossCountry Mortgage LLC. These five lenders had a combined home mortgage loan market share of 25.3 percent.

According to 2023 peer small business data, VNB had a 1.6 percent market share of small business loan originations. VNB's market share of small business loan originations weaker than its deposit market share. VNB's market share of small business loan originations ranked 13<sup>th</sup> out of 77 small business loan lenders. The bank's market share ranking of small business loan originations relative to all small business loan lenders was in the top 16.9 percent. The bank's market share ranking of small business loan originations was stronger than its deposit market share ranking. The top five small business lenders by number of loans and market share were American Express National Bank, JP Morgan Chase Bank, N.A., Citi Bank, N.A., Synchrony Bank, and Capital One, N.A. These five lenders had a combined small business loan market share of 59.4 percent.

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

The bank exhibited a poor geographic distribution of loans in its AA.

Examiners noted several factors contributing to the bank's weak lending performance in moderate-income geographies of this AA compared to demographic data and aggregate performance. Warren County is rural, with no low-income tracts and four moderate-income tracts. The bank's branches are situated in the northwestern part of the county, with the nearest branch over 12 miles from the moderate-income tracts in Phillipsburg, where competitors have closer branches. Limited public transportation further affects accessibility. The HMDA lending market is dominated by nonbank lenders, with eight out of the top 10 lenders being nonbanks, contributing significantly to the overall mortgage volume. In addition, VNB ranked as the 13<sup>th</sup> largest small business lender in this AA, a market predominantly controlled by larger banks and credit card issuers. The top five lending institutions collectively account for nearly 60 percent of total lending, with American Express commanding a 23.7 percent market share.

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

Refer to Table 7 in the state of New Jersey 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 was poor. The bank's percentage of home mortgage loans in moderate-income geographies was well below the percentage of owner-occupied homes in those geographies and was significantly below the aggregate distribution of loans.

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

Refer to Table 9 in the state of New Jersey 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 very poor. The bank's percentage of small loans to businesses in moderate-income geographies was significantly below both the percentage of businesses in those geographies and the aggregate distribution of loans.

### ***Lending Gap Analysis***

Examiners reviewed summary reports and maps and analyzed home mortgage and small business lending activity to identify any gaps in the geographic distribution of loans in all full-scope AAs. Examiners did not identify any unexplained conspicuous gaps in any of the areas they reviewed.

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

The bank exhibits a good distribution of loans among individuals of different income levels and business and farms of different sizes, given the product lines offered by the institution.

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

Refer to Table 8 in the state of New Jersey 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 distribution of home mortgage loans was good. The bank's percentage of home mortgage loans to low-income

borrowers was significantly below the percentage of low-income families, but approximated the aggregate distribution of loans. The bank's percentage of home mortgage loans to moderate-income borrowers exceeded the percentage of moderate-income families and the aggregate distribution of loans.

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

Refer to Table 10 in the state of New Jersey section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

The distribution of loans to businesses of different sizes was good. The bank's percentage of small loans to businesses with revenues of \$1 million or less was below the percentage of businesses with gross annual revenues of \$1 million or less but exceeded the aggregate distribution of small loans to businesses.

### **Community Development Lending**

The institution was a leader in making CD loans.

Refer to Table 3 in the Lending Activity section for the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

VNB originated five CD loans totaling \$6.1 million which represents 19.9 percent of its allocated tier 1 capital in this AA. CD loans were responsive to affordable housing and community service needs of the area. Approximately, \$4.3 million (71.3 percent) funded affordable housing and \$1.7 million (28.7 percent) funded community service targeted to LMI individuals within the assessment area.

The following are examples of CD loans the bank originated or purchased in the AA:

- The bank financed the construction of a 120-unit multifamily housing development on vacant land, with \$4.3 million specifically supporting the building of 24 units designated to meet the Council on Affordable Housing (COAH) requirements, contributing to the community's affordable housing supply.
- The bank funded a \$735,000 commercial mortgage to refinance the existing mortgage for a nonprofit organization that operates residential recovery centers for women confronting substance abuse. The centers primarily serve women who are homeless or from very low-income backgrounds, supporting both housing stability and social rehabilitation.

### **Product Innovation and Flexibility**

The institution used innovative and/or flexible lending practices in order to serve AA credit needs. Refer to the "Other Factors Considered in our Analysis under Performance Tests" section for additional details regarding home mortgage and small business lending programs. During the evaluation period VNB participated in the following programs:

- Community Advantage Purchase Program - originated two loans totaling \$326,825;
- Community Plus Purchase Program - originated two loans totaling \$636,405;
- Community Advantage Refinance – originated one loan for \$177,000;

- Community Small Business Lending Program – originated seven loans totaling \$173,000;
- SBA 7(a) Loans – originated two loans totaling \$404,273; and
- EZ Line Loans – originated three loans totaling \$280,000.

## INVESTMENT TEST

The bank's performance under the Investment Test in New Jersey is rated Outstanding.

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

Based on a full-scope review, the bank's performance in the Allentown MSA was excellent.

The institution had an excellent level of qualified investments, including grants, occasionally in a leadership position, particularly those that are not routinely provided by private investors.

The institution exhibited excellent responsiveness to credit and community development needs. The institution occasionally used innovative and/or complex investments to support CD initiatives.

### Number and Amount of Qualified Investments

Table 4: Qualified Investments*										2022-2024
Assessment Area	Prior Period		Current Period		Total				Unfunded Commitments	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Allentown MSA	4	1,338	24	2,242	28	100.0	3,580	100.0	0	0
<b>Total</b>	<b>4</b>	<b>1,338</b>	<b>24</b>	<b>2,242</b>	<b>28</b>	<b>100.0</b>	<b>3,580</b>	<b>100.0</b>	<b>0</b>	<b>0</b>

\* The table presents the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

The dollar volume of current- and prior-period investments represented 11.8 percent of allocated tier 1 capital. VNB had 28 qualified investments and grants in the assessment area totaling approximately \$3.6 million. Of these qualified investments and grants, \$2.9 million (82 percent) were related to affordable housing, \$578,947 (16.2 percent) supported for revitalization and stabilization efforts in LMI geographies, and \$63,500 (1.8 percent) supported community service targeted to LMI individuals.

The following are examples of qualified investments in the AA:

- During the evaluation period, the bank purchased two MBS investments totaling \$683,363, backed by CRA-eligible residential mortgages for LMI borrowers within the bank's AA.
- The bank invested \$877,578 in four bonds through a community impact fund, focusing on high-credit-quality bonds that advance community development. This investment supported affordable housing within the bank's assessment area.
- The bank invested \$578,947 in neighborhood revitalization tax credits during the evaluation period to support nonprofits and their neighborhood plans. This initiative aims to expand homeownership and create community hubs for jobs and workforce training, incentivizing private investment in underserved communities.

## SERVICE TEST

The bank's performance under the Service Test in New Jersey is rated Needs to Improve.

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

Based on a full-scope review, the bank's performance in the Allentown AA was poor.

#### Retail Banking Services

Service delivery systems were unreasonably inaccessible to geographies and individuals of different income levels in the institution's AA.

Table 5: Distribution of Branch Delivery Systems												2022	2024	
Assessment Area	Deposits		Branches						Population					
	% of Rated Area Deposits in AA	# of Bank Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)					% of Population within Each Geography					
				Low	Mod	Mid	Upp	NA	Low	Mod	Mid	Upp	NA	
Allentown MSA	100.0	3	100.0	0.00	0.00	33.3	67.7	0.00	0.00	13.91	31.75	54.34	0.00	
<b>Total</b>	<b>100.0</b>	<b>3</b>	<b>100.0</b>	<b>0.00</b>	<b>0.00</b>	<b>33.3</b>	<b>67.7</b>	<b>0.00</b>	<b>0.00</b>	<b>13.91</b>	<b>31.75</b>	<b>54.34</b>	<b>0.00</b>	

Source: FFIEC File - 2020, 2024 Census; 1/1/2022 - 12/31/2024 Bank Data; Due to rounding, totals may not equal 100%

\* The table presents the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

The bank's distribution of branches in moderate-income geographies was significantly below the percentage of the population living within those geographies. There were no low-income geographies within the bank's AA. VNB had three branches in the AA, but none were located in moderate-income geographies.

VNB supplements its traditional service delivery methods with alternative delivery systems, including deposit-taking ATMs, remote check deposit, online and mobile banking, Zelle®, electronic bill-pay, E-statements, text banking alerts, telephone, and online account opening. The bank provided an analysis report of these delivery channels which showed customer usage of these systems in LMI CTs. Based on the data, these channels provided additional delivery availability and access to banking services to LMI retail customers. Over 46.4 percent of customers in moderate-income CTs enrolled in online banking, while 26.8 percent used mobile banking, and 38.7 percent contacted the bank's Call Center. The bank's alternative delivery systems had a positive impact on the retail banking services conclusion in this AA. The bank had three deposit-taking ATMs in the AA, none of which are in LMI CTs. The distribution of ATMs is consistent with the branch distributions.

The bank also offered affordable and flexible deposit products and retail services, such as the Valley Journey, Valley Milestone, Valley My Choice, and Valley Nonprofit Organization checking accounts. These products offer combinations of no monthly or overdraft fees, low minimum balances, and free unlimited transactions which addressed LMI community needs.

The bank did not open or close any branches in the AA during the evaluation period. Services, including where appropriate, business hours, did not vary in a way that inconvenienced the various portions of its AA, particularly in moderate-income geographies and/or to LMI individuals. All branches in the AA are

open Monday through Friday from 9:00 a.m. to 4:00 p.m. and Saturdays from 9:00 a.m. to 12:00 p.m. All retail banking services offered are available in LMI geographies.

## Community Development Services

The institution provided an adequate level of CD services.

Two VNB employees held leadership positions as board or committee members for two CD organizations in the AA, accounting for 46 hours during the evaluation period. Twenty-nine employees provided over 222 hours of service to eight CD organizations during the evaluation period. The organizations focused on affordable housing; including home ownership education; economic development, including technical assistance to small businesses; and community services, including financial education to LMI individuals and small businesses.

Examples of qualified CD service activity in this AA include:

- A market manager provided 36 service hours as a board member of non-profit community services organization. The organization's mission is to strengthen communities by creating opportunities that improve the lives of low-income individuals and families. The organization's programs and services include six key areas: education, employment, financial capacity building, health and nutrition, housing and community development, and volunteerism.
- Six employees provided 22 hours of home ownership education to LMI homebuyers for a non-profit housing counseling agency. The education equips individuals with knowledge about the homebuying process, budgeting, and mortgage options.
- Ten employees provided 29 hours of technical assistance to women-owned small businesses for an economic development center. Topics included access to capital, financial planning, credit, entrepreneurship, networking, and small business counseling.

## 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>	1/1/2022 – 12/31/2024	
<b>Bank Products Reviewed:</b>	Home mortgage and small business loans Community development loans, qualified investments, community development services	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
N/A	N/A	N/A
<b>List of Assessment Areas and Type of Examination</b>		
<b>Rating and Assessment Areas</b>	<b>Type of Exam</b>	<b>Other Information</b>
<b>MMSA</b>		
New York- New Jersey MMSA	Full-scope	Counties of Bergen, Bronx, Essex, Hudson, Kings, Middlesex, Monmouth, Morris, Nassau, New York, Passaic, Queens, Somerset, Suffolk, Sussex, Union, and Westchester
<b>Alabama</b>		
Alabama Non-MSA	Limited-scope	Tallapoosa County
Auburn MSA	Full-scope	Lee County
Birmingham MSA	Full-scope	Counties of Jefferson, St. Clair, and Shelby
Montgomery MSA	Limited-scope	Counties of Elmore and Montgomery
<b>Florida</b>		
Cape Coral CSA	Limited-scope	Counties of Collier and Lee
Jacksonville MSA	Full-scope	Counties of Duval and St. Johns
Miami CSA	Full-scope	Counties of Broward, Indian River, Miami-Dade, and Palm Beach
North Port MSA	Limited-scope	Sarasota County
Orlando CSA	Limited-scope	Counties of Orange, Polk, and Seminole
Palm Bay MSA	Limited-scope	Brevard County
Tampa MSA	Full-scope	Counties of Hillsborough and Pinellas
<b>New Jersey</b>		
Allentown MSA	Full-scope	Warren County

## Appendix B: Summary of MMSA and State Ratings

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RATINGS				
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State/Multistate Rating
Valley National Bank	Outstanding	Outstanding	High Satisfactory	Outstanding
MMSA or State:				
NY-NJ MMSA	Outstanding	High Satisfactory	High Satisfactory	Outstanding
Alabama	Outstanding	High Satisfactory	Low Satisfactory	Satisfactory
Florida	Outstanding	High Satisfactory	High Satisfactory	Outstanding
New Jersey	High Satisfactory	Outstanding	Needs to Improve	Satisfactory

(\*) The Lending Test is weighted more heavily than the Investment and Service Tests in the overall rating.

## Appendix C: Definitions and Common Abbreviations

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

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

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

**Census Tract (CT):** A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. CTs nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, CTs 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 CT 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 MSA 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 of this title, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (10) and (13) of this title.

**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 CD loans and qualified investments, branch distribution, and CD services).

**Low-Income:** Individual income that is at 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 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 (MD):** 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 MD 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.

**Multistate Metropolitan Statistical Area (MMSA):** Any MMSA or multistate combined statistical area, as defined by the Office of Management and Budget.

**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.

**Prior Period Investments:** Investments made in a previous evaluation period that are outstanding as of the end of the evaluation period.

**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 MMSA. 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 MMSA, the institution will receive a rating for the MMSA.

**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.

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

**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 MMSAs, 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 loans are treated the same 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/AA. 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 7. 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 8. 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/AA. The table also presents aggregate peer data for the years the data is available.

**Table 9. 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 AA.

**Table 10. 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 7: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																2022 - 2024			
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total Number	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
NY-NJ MMSA	6,724	4,556,476	100.0	510,920	2.8	3.4	4.0	13.9	13.1	14.6	38.0	28.6	35.7	44.8	54.6	45.2	0.4	0.4	0.5
<b>Total</b>	<b>6,724</b>	<b>4,556,476</b>	<b>100.0</b>	<b>510,920</b>	<b>2.8</b>	<b>3.4</b>	<b>4.0</b>	<b>13.9</b>	<b>13.1</b>	<b>14.6</b>	<b>38.0</b>	<b>28.6</b>	<b>35.7</b>	<b>44.8</b>	<b>54.6</b>	<b>45.2</b>	<b>0.4</b>	<b>0.4</b>	<b>0.5</b>

Source: FFIEC File - 2020, 2024 Census; 1/1/2022 - 12/31/2024 Bank Data, 2022, 2023 HMDA Aggregate Data, "--" data not available.

Due to rounding, totals may not equal 100%

Table 8: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																2022 - 2024			
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total Number	Overall Market	% Families	% Bank Loans	% Aggregate	% Families	% Bank Loans	% Aggregate	% Families	% Bank Loans	% Aggregate	% Families	% Bank Loans	% Aggregate	% Families	% Bank Loans	% Aggregate
NY-NJ MMSA	6,724	4,556,476	100.0	510,920	24.8	4.3	4.2	15.8	15.9	13.4	17.7	19.1	20.1	41.7	54.3	43.9	--	6.4	18.4
<b>Total</b>	<b>6,724</b>	<b>4,556,476</b>	<b>100.0</b>	<b>510,920</b>	<b>24.8</b>	<b>4.3</b>	<b>4.2</b>	<b>15.8</b>	<b>15.9</b>	<b>13.4</b>	<b>17.7</b>	<b>19.1</b>	<b>20.1</b>	<b>41.7</b>	<b>54.3</b>	<b>43.9</b>	--	<b>6.4</b>	<b>18.4</b>

Source: FFIEC File - 2020, 2024 Census; 1/1/2022 - 12/31/2024 Bank Data, 2022, 2023 HMDA Aggregate Data, "--" data not available.

Due to rounding, totals may not equal 100%

Table 9: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																2022 - 2024			
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 Number	Overall Market	% Businesses	% Bank Loans	% Aggregate	% Businesses	% Bank Loans	% Aggregate	% Businesses	% Bank Loans	% Aggregate	% Businesses	% Bank Loans	% Aggregate	% Businesses	% Bank Loans	% Aggregate
NY-NJ MMSA	12,830	663,734	100.0	1,338,177	7.8	8.3	6.9	17.1	18.8	17.0	30.3	35.1	31.4	42.1	35.8	42.3	2.6	2.0	2.4
<b>Total</b>	<b>12,830</b>	<b>663,734</b>	<b>100.0</b>	<b>1,338,177</b>	<b>7.8</b>	<b>8.3</b>	<b>6.9</b>	<b>17.1</b>	<b>18.8</b>	<b>17.0</b>	<b>30.3</b>	<b>35.1</b>	<b>31.4</b>	<b>42.1</b>	<b>35.8</b>	<b>42.3</b>	<b>2.6</b>	<b>2.0</b>	<b>2.4</b>

Source: FFIEC File - 2020, 2024 Census; 1/1/2022 - 12/31/2024 Bank Data, 2024 Dunn & Bradstreet SBSF Demographics, 2022, 2023 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100%.

**Table 10: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues**

2022 - 2024

Assessment Area:	Total Loans to Small Businesses			Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available		
	#	\$	% of Total Number	Overall Market	% Businesses	% Bank Loans	% Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
NY-NJ MMSA	12,830	663,734	100.0	1,338,177	84.8	66.9	51.5	8.8	17.1	6.4	15.8
<b>Total</b>	<b>12,830</b>	<b>663,734</b>	<b>100.0</b>	<b>1,338,177</b>	<b>84.8</b>	<b>66.9</b>	<b>51.5</b>	<b>8.8</b>	<b>17.1</b>	<b>6.4</b>	<b>15.8</b>

Source: FFIEC File - 2020, 2024 Census; 1/1/2022 - 12/31/2024 Bank Data, 2024 Dunn & Bradstreet SBSF Demographics, 2022, 2023 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100%

Assessment Area:	Table 7: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography															2022 - 2024			
	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total Number	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
Alabama Non-MSA	34	5,106	16.3	2,023	--	--	--	4.8	2.9	1.3	59.3	64.7	43.8	35.9	32.4	54.9	--	--	--
Auburn MSA	44	10,348	21.1	9,874	2.3	2.3	1.7	18.1	27.3	21.3	48.9	45.5	47.7	27.9	25.0	26.9	2.8	--	2.4
Birmingham MSA	71	85,308	34.0	55,197	4.1	1.4	2.3	16.9	11.3	12.4	37.6	47.9	40.2	40.6	39.4	44.8	0.7	--	0.2
Montgomery MSA	60	8,399	28.7	14,049	5.3	3.3	1.5	21.4	20.0	17.2	41.7	31.7	39.4	31.3	45.0	41.8	0.2	--	0.2
<b>Total</b>	<b>209</b>	<b>109,161</b>	<b>100.0</b>	<b>81,143</b>	<b>4.0</b>	<b>1.9</b>	<b>2.1</b>	<b>17.5</b>	<b>15.8</b>	<b>14.1</b>	<b>40.2</b>	<b>45.5</b>	<b>41.1</b>	<b>37.4</b>	<b>36.8</b>	<b>42.4</b>	<b>0.8</b>	<b>--</b>	<b>0.5</b>

Source: FFIEC File - 2020, 2024 Census; 1/1/2022 - 12/31/2024 Bank Data, 2022, 2023 HMDA Aggregate Data, "--" data not available.

Due to rounding, totals may not equal 100%

Table 8: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																	2022 - 2024		
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total Number	Overall Market	% Families	% Bank Loans	% Aggregate	% Families	% Bank Loans	% Aggregate	% Families	% Bank Loans	% Aggregate	% Families	% Bank Loans	% Aggregate	% Families	% Bank Loans	% Aggregate
Alabama Non-MSA	34	5,106	16.3	2,023	20.2	11.8	5.0	15.1	23.5	15.3	23.5	14.7	16.2	41.1	50.0	52.6	--	--	11.0
Auburn MSA	44	10,348	21.1	9,874	22.6	11.4	6.2	15.1	36.4	18.1	19.1	11.4	22.6	43.3	38.6	37.9	--	2.3	15.3
Birmingham MSA	71	85,308	34.0	55,197	21.0	8.5	7.9	16.4	12.7	19.1	18.5	25.4	20.8	44.1	40.9	37.4	--	12.7	14.8
Montgomery MSA	60	8,399	28.7	14,049	23.4	13.3	7.1	16.4	20.0	18.3	18.7	16.7	21.9	41.5	31.7	37.4	--	18.3	15.3
<b>Total</b>	<b>209</b>	<b>109,161</b>	<b>100.0</b>	<b>81,143</b>	<b>21.6</b>	<b>11.0</b>	<b>7.5</b>	<b>16.2</b>	<b>21.5</b>	<b>18.7</b>	<b>18.8</b>	<b>18.2</b>	<b>21.1</b>	<b>43.4</b>	<b>39.2</b>	<b>37.8</b>	--	<b>10.1</b>	<b>14.9</b>

Source: FFIEC File - 2020, 2024 Census; 1/1/2022 - 12/31/2024 Bank Data, 2022, 2023 HMDA Aggregate Data, "--" data not available.

Due to rounding, totals may not equal 100%

Table 9: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																2022 - 2024			
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 Number	Overall Market	% Businesses	% Bank Loans	% Aggregate	% Businesses	% Bank Loans	% Aggregate	% Businesses	% Bank Loans	% Aggregate	% Businesses	% Bank Loans	% Aggregate	% Businesses	% Bank Loans	% Aggregate
Alabama Non-MSA	32	2,155	4.2	1,171	--	--	--	2.7	3.1	4.2	50.0	40.6	47.2	47.3	56.3	48.6	--	--	--
Auburn MSA	47	1,796	6.2	6,394	2.1	--	1.2	11.2	23.4	20.0	51.7	42.6	43.2	25.6	23.4	28.8	9.5	10.6	6.9
Birmingham MSA	509	12,116	67.0	42,965	6.2	6.3	6.9	15.4	20.2	12.5	32.2	40.5	31.2	45.1	31.8	48.6	1.0	1.2	0.9
Montgomery MSA	172	10,379	22.6	12,023	7.8	7.6	6.2	23.6	31.4	19.6	33.5	28.5	35.4	29.8	28.5	34.8	5.3	4.1	4.0
<b>Total</b>	<b>760</b>	<b>26,446</b>	<b>100.0</b>	<b>62,553</b>	<b>6.1</b>	<b>5.9</b>	<b>6.0</b>	<b>16.5</b>	<b>22.2</b>	<b>14.5</b>	<b>34.4</b>	<b>37.9</b>	<b>33.5</b>	<b>40.4</b>	<b>31.6</b>	<b>43.9</b>	<b>2.6</b>	<b>2.4</b>	<b>2.1</b>

Source: FFIEC File - 2020, 2024 Census; 1/1/2022 - 12/31/2024 Bank Data, 2024 Dunn & Bradstreet SBSF Demographics, 2022, 2023 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100%

Assessment Area:	2022 - 2024										
	Total Loans to Small Businesses			Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available		
	#	\$	% of Total Number	Overall Market	% Businesses	% Bank Loans	% Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Alabama Non-MSA	32	2,155	4.2	1,171	78.4	81.3	51.2	9.1	3.1	12.5	15.6
Auburn MSA	47	1,796	6.2	6,394	80.4	74.5	48.3	8.0	4.3	11.6	21.3
Birmingham MSA	509	12,116	67.0	42,965	81.0	67.4	44.7	8.9	11.2	10.2	21.4
Montgomery MSA	172	10,379	22.6	12,023	79.0	65.1	46.8	8.7	13.4	12.3	21.5
<b>Total</b>	<b>760</b>	<b>26,446</b>	<b>100.0</b>	<b>62,553</b>	<b>80.5</b>	<b>67.9</b>	<b>45.6</b>	<b>8.8</b>	<b>10.9</b>	<b>10.8</b>	<b>21.2</b>

Source: FFIEC File - 2020, 2024 Census; 1/1/2022 - 12/31/2024 Bank Data, 2024 Dunn & Bradstreet SBSF Demographics, 2022, 2023 CRA Aggregate Data, "--" data not available.

Due to rounding, totals may not equal 100%

Assessment Area:	2022 - 2024																		
	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total Number	Overall Market	% of Owner-Occupied Housing Units	% of Bank Loans	% Aggregate	% of Owner-Occupied Housing Units	% of Bank Loans	% Aggregate	% of Owner-Occupied Housing Units	% of Bank Loans	% Aggregate	% of Owner-Occupied Housing Units	% of Bank Loans	% Aggregate	% of Owner-Occupied Housing Units	% of Bank Loans	% Aggregate
Cape Coral CSA	334	162,931	12.9	89,039	1.4	2.1	1.0	17.22	16.2	20.3	19.7	37.4	48.5	34.3	44.0	30.1	0.6	0.3	0.7
Jacksonville MSA	119	56,840	4.6	94,071	4.3	--	3.3	21.58	18.5	20.9	36.0	32.8	40.1	37.6	48.7	35.0	0.5	--	0.7
Miami CSA	912	606,249	35.1	287,330	2.9	13.9	2.6	21.67	21.1	21.1	32.5	19.0	32.7	42.0	45.3	42.6	1.0	0.8	1.0
North Port MSA	64	31,381	2.5	33,316	0.3	--	0.3	14.50	15.6	14.8	50.3	29.7	44.8	34.6	54.7	38.0	0.3	--	2.1
Orlando CSA	194	148,740	7.5	153,920	1.3	2.1	1.2	19.34	11.3	17.0	36.1	18.0	38.2	42.8	67.5	43.2	0.5	1.0	0.5
Palm Bay MSA	140	84,451	5.4	48,465	0.9	0.7	0.9	18.36	73.6	20.2	45.6	13.6	44.7	34.6	12.1	33.7	0.5	--	0.6
Tampa MSA	834	535,772	32.1	145,846	1.5	2.5	1.7	20.43	12.0	18.5	39.3	21.6	39.2	38.2	62.1	40.0	0.6	1.8	0.6
<b>Total</b>	<b>2,597</b>	<b>1,626,363</b>	<b>100.0</b>	<b>851,987</b>	<b>2.1</b>	<b>6.2</b>	<b>1.9</b>	<b>20.18</b>	<b>19.4</b>	<b>19.4</b>	<b>37.3</b>	<b>22.7</b>	<b>38.4</b>	<b>39.7</b>	<b>50.8</b>	<b>39.4</b>	<b>0.7</b>	<b>1.0</b>	<b>0.8</b>

Source: FFIEC File - 2020, 2024 Census; 1/1/2022 - 12/31/2024 Bank Data, 2022, 2023 HMDA Aggregate Data, "--" data not available.

Due to rounding, totals may not equal 100%

Table 8: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																	2022 - 2024			
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers			
	#	\$	% of Total Number	Overall Market	% Families	% Bank Loans	% Aggregate	% Families	% Bank Loans	% Aggregate	% Families	% Bank Loans	% Aggregate	% Families	% Bank Loans	% Aggregate	% Families	% Bank Loans	% Aggregate	
Cape Coral CSA	334	162,931	12.9	89,039	20.2	3.6	4.2	18.7	10.5	12.8	20.4	15.0	20.7	40.8	68.6	45.3	--	2.4	17.0	
Jacksonville MSA	119	56,840	4.6	94,071	21.9	5.0	5.8	18.5	15.1	15.7	19.2	11.8	20.3	40.4	57.1	37.7	--	10.9	20.6	
Miami CSA	912	606,249	35.1	287,330	22.4	4.3	3.9	17.7	16.8	8.6	18.1	12.9	16.2	41.9	59.1	52.2	--	6.9	19.1	
North Port MSA	64	31,381	2.5	33,316	16.8	4.7	6.2	19.4	6.3	15.3	20.9	12.5	20.1	43.0	57.8	43.3	--	18.8	15.1	
Orlando CSA	194	148,740	7.5	153,920	20.2	2.6	3.5	17.7	3.6	11.4	19.0	13.9	21.3	43.1	65.0	43.9	--	15.0	19.9	
Palm Bay MSA	140	84,451	5.4	48,465	20.0	20.7	6.2	18.5	27.9	15.2	20.2	18.6	22.2	41.3	26.4	37.6	--	6.4	18.9	
Tampa MSA	834	535,772	32.1	145,846	20.5	2.8	4.7	17.5	8.4	13.2	19.0	6.7	20.8	43.1	71.1	44.7	--	11.0	16.6	
<b>Total</b>	<b>2,597</b>	<b>1,626,363</b>	<b>100.0</b>	<b>851,987</b>	<b>21.2</b>	<b>4.5</b>	<b>4.4</b>	<b>17.9</b>	<b>12.6</b>	<b>11.8</b>	<b>18.9</b>	<b>11.5</b>	<b>19.3</b>	<b>42.1</b>	<b>42.7</b>	<b>45.9</b>	--	<b>8.7</b>	<b>18.6</b>	

Source: FFIEC File - 2020, 2024 Census; 1/1/2022 - 12/31/2024 Bank Data, 2022, 2023 HMDA Aggregate Data, "--" data not available.

Due to rounding, totals may not equal 100%

Table 9: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																	2022 - 2024		
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 Number	Overall Market	% Businesses	% Bank Loans	% Aggregate	% Businesses	% Bank Loans	% Aggregate	% Businesses	% Bank Loans	% Aggregate	% Businesses	% Bank Loans	% Aggregate	% Businesses	% Bank Loans	% Aggregate
Cape Coral CSA	1,508	29,142	11.7	91,940	2.6	2.5	2.0	20.7	29.2	20.0	42.8	48.3	46.7	33.1	19.8	30.7	0.8	0.3	0.6
Jacksonville MSA	807	33,671	6.3	77,754	5.7	7.6	4.9	23.6	21.7	19.8	36.0	40.0	35.9	32.3	29.1	37.5	2.4	1.6	1.9
Miami CSA	5,535	265,157	43.0	744,312	2.7	3.7	2.8	23.2	27.5	22.0	28.8	30.8	29.5	43.0	35.7	43.2	2.3	2.3	2.5
North Port MSA	352	9,400	2.7	36,520	0.6	0.3	0.4	12.2	17.6	12.2	50.6	53.1	46.6	36.2	29.0	40.2	0.4	--	0.7
Orlando CSA	1,691	50,506	13.2	194,355	1.8	1.8	1.3	24.7	25.4	23.2	32.8	33.9	31.3	39.7	37.2	42.9	1.1	1.7	1.3
Palm Bay MSA	271	11,663	2.1	32,692	2.5	1.5	2.7	20.5	27.7	20.6	41.1	38.4	39.8	35.3	32.5	36.4	0.6	--	0.5
Tampa MSA	2,695	128,213	21.0	179,043	3.3	5.0	3.3	19.9	21.3	19.2	33.6	39.5	34.2	41.5	32.1	41.1	1.8	2.1	2.2
<b>Total</b>	<b>12,859</b>	<b>527,752</b>	<b>100.00</b>	<b>1,356,616</b>	<b>2.8</b>	<b>3.7</b>	<b>2.7</b>	<b>22.4</b>	<b>25.5</b>	<b>21.2</b>	<b>32.8</b>	<b>36.4</b>	<b>32.6</b>	<b>40.3</b>	<b>32.6</b>	<b>41.4</b>	<b>1.8</b>	<b>1.8</b>	<b>2.0</b>

Source: FFIEC File - 2020, 2024 Census; 1/1/2022 - 12/31/2024 Bank Data, 2024 Dunn & Bradstreet SBSF Demographics, 2022, 2023 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100%

Table 10: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2022 - 2024
Assessment Area:	Total Loans to Small Businesses			Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available		
	#	\$	% of Total Number	Overall Market	% Businesses	% Bank Loans	% Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Cape Coral CSA	1,508	29,142	11.7	91,940	85.0	79.6	52.6	7.8	7.4	7.3	13.0
Jacksonville MSA	807	33,671	6.3	77,754	84.4	75.2	51.2	7.6	10.9	8.0	13.9
Miami CSA	5,535	265,157	43.0	744,312	85.6	70.6	53.2	7.6	10.2	6.8	19.2
North Port MSA	352	9,400	2.7	36,520	84.0	74.4	54.8	8.9	12.8	7.1	12.8
Orlando CSA	1,691	50,506	13.2	194,355	85.0	75.9	53.3	7.3	8.2	7.7	15.9
Palm Bay MSA	271	11,663	2.1	32,692	84.1	72.7	54.4	8.3	7.0	7.6	20.3
Tampa MSA	2,695	128,213	21.0	179,043	84.6	70.0	52.8	7.8	10.4	7.6	19.6
<b>Total</b>	<b>12,859</b>	<b>527,752</b>	<b>100.0</b>	<b>1,356,616</b>	<b>85.1</b>	<b>72.7</b>	<b>53.1</b>	<b>7.7</b>	<b>9.7</b>	<b>7.2</b>	<b>17.7</b>

Source: FFIEC File - 2020, 2024 Census; 1/1/2022 - 12/31/2024 Bank Data, 2024 Dunn & Bradstreet SBSF Demographics, 2022, 2023 CRA Aggregate Data, "--" data not available.

Due to rounding, totals may not equal 100%

Assessment Area:	2022 - 2024																		
	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total Number	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
Allentown MSA	109	38,867	100.0	6,190	--	--	--	11.5	6.4	13.2	28.0	33.9	29.4	60.5	59.6	57.4	--	--	--
<b>Total</b>	<b>109</b>	<b>38,867</b>	<b>100.0</b>	<b>6,190</b>	--	--	--	<b>11.5</b>	<b>6.4</b>	<b>13.2</b>	<b>28.0</b>	<b>33.9</b>	<b>29.4</b>	<b>60.5</b>	<b>59.6</b>	<b>57.4</b>	--	--	--

Source: FFIEC File - 2020, 2024 Census; 1/1/2022 - 12/31/2024 Bank Data, 2022, 2023 HMDA Aggregate Data, "--" data not available.

Due to rounding, totals may not equal 100%

Table 8: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																	2022 - 2024			
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers			
	#	\$	% of Total Number	Overall Market	% Families	% Bank Loans	% Aggregate	% Families	% Bank Loans	% Aggregate	% Families	% Bank Loans	% Aggregate	% Families	% Bank Loans	% Aggregate	% Families	% Bank Loans	% Aggregate	
Allentown MSA	109	38,867	100.0	6,190	14.3	4.6	4.7	14.7	17.4	16.1	20.8	30.3	23.9	50.2	43.1	36.7	--	4.6	18.7	
<b>Total</b>	<b>109</b>	<b>38,867</b>	<b>100.0</b>	<b>6,190</b>	<b>14.3</b>	<b>4.6</b>	<b>4.7</b>	<b>14.7</b>	<b>17.4</b>	<b>16.1</b>	<b>20.8</b>	<b>30.3</b>	<b>23.9</b>	<b>50.2</b>	<b>43.1</b>	<b>36.7</b>	--	<b>4.6</b>	<b>18.7</b>	

Source: FFIEC File - 2020, 2024 Census; 1/1/2022 - 12/31/2024 Bank Data, 2022, 2023 HMDA Aggregate Data, "--" data not available.

Due to rounding, totals may not equal 100%

Table 9: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																2022 - 2024			
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 Number	Overall Market	% Businesses	% Bank Loans	% Aggregate	% Businesses	% Bank Loans	% Aggregate	% Businesses	% Bank Loans	% Aggregate	% Businesses	% Bank Loans	% Aggregate	% Businesses	% Bank Loans	% Aggregate
Allentown MSA	157	6,217	100.0	5,903	--	--	--	10.9	3.8	7.8	32.1	35.7	31.0	57.0	60.5	61.2	--	--	--
<b>Total</b>	<b>157</b>	<b>6,217</b>	<b>100.0</b>	<b>5,903</b>	--	--	--	<b>10.9</b>	<b>3.8</b>	<b>7.8</b>	<b>32.1</b>	<b>35.7</b>	<b>31.0</b>	<b>57.0</b>	<b>60.5</b>	<b>61.2</b>	--	--	--

Source: FFIEC File - 2020, 2024 Census; 1/1/2022 - 12/31/2024 Bank Data, 2024 Dunn & Bradstreet SBSF Demographics, 2022, 2023 CRA Aggregate Data, "--" data not available.

Due to rounding, totals may not equal 100%

Table 10: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues										2022 - 2024	
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total Number	Overall Market	% Businesses	% Bank Loans	% Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Allentown MSA	1576,217	100.0		5,903	83.0	68.2	58.9	9.1	20.4	7.9	11.5
<b>Total</b>	<b>1576,217</b>	<b>100.0</b>		<b>5,903</b>	<b>83.0</b>	<b>68.2</b>	<b>58.9</b>	<b>9.1</b>	<b>20.4</b>	<b>7.9</b>	<b>11.5</b>

Source: FFIEC File - 2020, 2024 Census; 1/1/2022 - 12/31/2024 Bank Data, 2024 Dunn & Bradstreet SBSF Demographics, 2022, 2023 CRA Aggregate Data, "--" data not available.

Due to rounding, totals may not equal 100%