



PUBLIC DISCLOSURE

September 9, 2019

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Newfield National Bank
Charter Number 14240

18-24 West Boulevard
Newfield, NJ 08344

Office of the Comptroller of the Currency

1150 Northbrook Drive
Suite 303
Trevese, PA 19053

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

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Overall Community Reinvestment Act Rating

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

The lending test is rated: Satisfactory

The community development test is rated: Outstanding

The major factors supporting this rating include:

- The quarterly average loan-to-deposit (LTD) ratio is reasonable given the bank's size, financial condition, and assessment area (AA) credit needs.
- A substantial majority of the bank's loans are originated in its AA.
- Lending to small businesses across different geographies exhibits excellent distribution. Geographic distribution of home mortgage originations exhibits reasonable distribution.
- Lending to businesses of different sizes exhibits reasonable distribution. Borrower distribution of home mortgage loans exhibits reasonable disbursement.
- The bank exhibits excellent responsiveness to community development needs in the AA through community development loans, qualified investments, and community development services.
- The bank had no consumer complaints regarding its community reinvestment performance.

Loan-to-Deposit Ratio

NNB's average LTD is reasonable. The bank's quarterly average LTD ratio during the evaluation period was 64.31 percent and ranged from a low of 57.73 percent on March 31, 2016 and a high of 70.33 percent on June 30, 2018. We compared the bank's LTD ratio to five similar situated banks in Camden, Cumberland, and Salem counties, ranging in total asset sizes from \$198 million to \$543 million. The quarterly average LTD of these banks over the same period was 60.3 percent. The ratios ranged from a quarterly low of 35.44 percent to a quarterly high of 98.37 percent during that period. The bank's quarterly average net LTD is reasonable.

Lending in Assessment Area

A substantial majority of the bank's home mortgage loans were made within the bank's AA. This meets the standard for satisfactory performance. During this evaluation period, the bank originated 72 percent of the number and 52.7 percent of the dollar amount of home mortgage loans inside the bank's AA. The bank originated 100.0 percent of the number and dollar amount of small business loans inside the bank's AA. In aggregate, 85.5 percent of the number and 77.7 percent of the dollar amount of loans were made within the bank's AA. This includes Home Mortgage Disclosure Act (HMDA) reported loans from 1/1/2016 to 12/31/2018. Refer to the table below.

Table D- Lending Inside and Outside of the Assessment Area

Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgages	433	72.0	168	28.0	601	45,652	52.7	40,916	47.3	86,568
Small Business	573	100.0	0	0.0	573	96,579	100.0	0	0.0	96,579
Total	1,006	85.54	168	14.29	1,176	142,231	77.66	40,916	22.34	183,147

Source: Evaluation Period: 1/1/2016 - 12/31/2018 Bank Data
Due to rounding, totals may not equal 100.0

Description of Institution

Newfield National Bank (NNB) is a \$667.3 million intrastate community bank founded in 1934. NNB is headquartered in Newfield, NJ and is a wholly owned subsidiary of Newfield Bancorp, Inc., a one-bank holding company established in July 1990. NNB has one subsidiary, FNBN Investment Corporation, which was established in 1988 and is based in Delaware. FNBN holds most of NNB's investment securities, including any qualified CRA investments.

The bank offers a full range of deposit and loan products and services. Residential mortgages and small business loans are NNB's primary loan products. The bank offers traditional products and services for consumers and businesses such as checking accounts, savings accounts, certificate of deposits, and consumer and commercial loans. Additionally, the bank offers internet and mobile banking with bill pay. The bank operates a network of 11 branches and ten ATMs. All 11 branches are equipped with drive-thru facilities and are open from 8:00 am until at least 6:00 pm each weekday, and on Thursdays and Fridays until at least 7:00 pm. Saturday hours are 8:00 am to 1:00 pm at each branch location.

During the evaluation period, the bank relocated two bank branches. In October of 2017, the bank closed the East Vineland Branch located in census tract #407 and relocated the branch to census tract #408, both within the Vineland-Bridgeton, NJ Metropolitan Statistical Area (MSA) #47220. Neither census tract is low- or moderate-income. Additionally, in August of 2018 the bank closed the Sewell Branch located in census tract #5007.02 and relocated the branch to census tract #5013.01, both within the Camden, NJ MD #15804. Neither census tract is low- or moderate-income. The relocation of both branches was primarily due to end of lease-agreements and cost-saving measures.

As of December 31, 2018, NNB reported net loans of \$416 million and had a net loans and leases to total assets ratio of 62 percent. Table 1 provides a breakdown of the loan portfolio.

Table 1: Loan Portfolio Summary by Loan Product December 31, 2018		
Loan Category	\$ Amount (millions)	% of Outstanding Loans
Non-Farm/Non-Residential	\$184,141	44.22%
Residential Real Estate	\$165,373	39.71%
Commercial & Industrial	\$48,173	11.57%
Multifamily Loans	\$11,172	2.68%
Consumer Loans	\$2,967	0.71%
Other Loans	\$2,621	0.63%
Agriculture & Farmland Loans	\$2,007	0.48%
TOTAL	\$416,454	100.00%

Source: December 31, 2018 Call Report

During the evaluation period, NNB has not undergone any significant changes in its corporate structure. There are no financial or legal impediments to hinder the bank's ability to help meet the credit needs of the communities it serves. The bank received a "Satisfactory" rating on its prior CRA Performance Evaluation dated August 8, 2016.

Scope of the Evaluation

Evaluation Period/Products Evaluated

We evaluated NNB under the Intermediate Small Bank (ISB) examination procedures, which includes a lending test and a community development (CD) test. The lending test evaluates the bank's record of meeting the credit needs of its AA through its lending activities. Our analysis is based on loans to small business and home mortgage originations, as these are the bank's primary loan products. The CD test evaluates the bank's responsiveness to CD needs in its AA through qualified lending, investments, donations, and services.

The evaluation period under the Lending Test is representative of the bank's lending strategy since the last CRA evaluation. The Lending Test for residential mortgages covers two evaluation periods. For the period from January 1, 2016 through December 31, 2016, the data from the 2010 U.S. Census was used in our analysis. For the period from January 1, 2017 through December 31, 2018, the Office of Management and Budget changed the 2010 U.S. Census data and updated with the 2015 ACS Census data. The changes resulted in differences to the MSA/MD, census tract, and income designations.

The evaluation period for the Community Development Test covers the period from August 9, 2016 to December 31, 2018. We reviewed documentation supplied to us by bank management to determine if the bank's CD loans, investments, donations, and services meet the regulatory definition for community development. Further discussion of the bank's CD activities is included in the 'Community Development' section of this performance evaluation.

Selection of Areas for Full-Scope Review

A Combined Statistical Area (CSA) was used for the review. We completed a full-scope review of NNB's AA consisting of a portion of the Vineland-Millville- Bridgeton, NJ MSA #47220 and a portion of the Philadelphia-Camden-Wilmington MSA #47980. The combined AA will be referred to as the Newfield AA. NNB has defined central and southern portions of Gloucester County and the entire county of Cumberland County as its AA. These counties are located in the southern region of New Jersey, anchored by the cities of Vineland and Millville. The AA consists of 34 census tracts (CTs) in the Vineland-Millville- Bridgeton, NJ MSA and 49 CTs in the Camden, NJ Metropolitan Division (MD) #15804, which is part of the larger Philadelphia-Camden-Wilmington MSA. The AA meets regulatory requirements and does not arbitrarily exclude any low- or moderate-income CTs.

Ratings

The bank's overall rating is based primarily on those areas that received full scope reviews, thus ratings for this CRA evaluation are based on the results of the full scope review of the Newfield AA.

Discriminatory or Other Illegal Credit Practices Review

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

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

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

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

State Rating

State of New Jersey

CRA rating for the State of New Jersey: Satisfactory

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Outstanding

The major factors that support this rating include:

- The bank exhibits reasonable geographic distribution of home mortgage loans and loans to small businesses.
- The bank exhibits reasonable distribution of loans to individuals of different income levels and excellent distribution to businesses of different sizes.
- The bank exhibits excellent responsiveness to community development needs in the AA through community development loans, qualified investments, and community development services

Description of Institution's Operations in New Jersey

NNB is a \$667.3 million institution consisting of one AA. The AA includes all of Cumberland County, consisting of 34 CTs and portions of Gloucester County, consisting of 49 CTs. There are 83 CTs in the AA including one low income CT and 11 moderate income CTs. All of NNB's 11 branches are in the state of New Jersey. The bank's primary loan products are small business and home mortgage loans. NNB operates ten ATMs and has a full range of deposit and loan products and services. The bank's internet website, <https://www.newfieldnationalbank.bank/>, provides detailed information on products and services for both consumers and businesses.

Community Contact

During this examination, we interviewed a local community organization whose primary purpose is economic development. The contact indicated that current economic conditions of the area remain depressed with historically high unemployment rates.

Newfield Assessment Area

Table A – 2016 Demographic Information of the Assessment Area

Assessment Area: Newfield AA

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	83	4.8	13.3	57.8	20.5	3.6
Population by Geography	372,756	3.4	14.2	60.2	20.6	1.5
Housing Units by Geography	135,765	2.2	14.6	63.3	19.8	0.0
Owner-Occupied Units by Geography	96,485	0.8	9.8	66.4	23.1	0.0
Occupied Rental Units by Geography	30,532	6.3	27.3	55.7	10.8	0.0
Vacant Units by Geography	8,748	4.3	24.5	55.6	15.6	0.0
Businesses by Geography	17,674	3.8	11.9	61.2	23.1	0.0
Farms by Geography	685	0.4	6.3	64.1	29.2	0.0
Family Distribution by Income Level	91,035	20.2	17.1	22.4	40.3	0.0
Household Distribution by Income Level	127,017	23.3	15.0	18.8	42.9	0.0
Median Family Income MSA - 15804 Camden, NJ MD		\$83,092	Median Housing Value			\$211,989
Median Family Income MSA - 47220 Vineland-Bridgeton, NJ MSA		\$60,642	Median Gross Rent			\$913
			Families Below Poverty Level			8.1%

Source: 2010 U.S. Census and 2016 D&B Data

Due to rounding, totals may not equal 100.0

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

Of the 83 tracts, 4.8 percent are low-income geographies, 13.3 percent are moderate-income geographies, 57.8 percent are middle-income geographies, 20.5 percent are upper-income geographies, and 3.6 percent are unknown geographies for 2016. The 2010 US Census reported the total population of the AA at 372,756. Within the AA, there are 91,035 families and 127,017 households. The median housing cost is \$211,989. There are 135,765 housing units, of which 71.1 percent are owner-occupied, 22.5 percent are rental-occupied, and 6.4 percent are vacant housing units.

Approximately 0.8 percent of owner-occupied housing is located in low-income geographies, 9.8 percent is located in moderate-income geographies, 66.4 percent is located in middle-income geographies, and 23.1 percent is located in upper-income geographies.

The 2016 median family income for Camden, NJ MD and Vineland-Bridgeton, NJ MSA were \$83,092 and \$60,642, respectively. Approximately 20.2 percent of the families are low-income, 17.1 percent are moderate-income, 22.4 percent are middle-income, and 40.3 percent are upper-income. Approximately 8.1 percent are below the poverty level.

Competition in the AA is high and includes local community banks and branches of larger regional and national banks. According to the FDIC Deposit Market Share Report as of December 31, 2016, NNB ranks second in deposit market share in NNB AA at 10.38 percent. NNB's main competitors are TD Bank (14.15 percent market share with 15 branches), Branch Banking and Trust Company (7.55 percent market share with eight branches), and OceanFirst Bank (6.60 percent market share with seven branches).

According to 2016 Peer Mortgage Data, NNB had a 1.54 percent loan market share, and ranked 16th among 314 lending institutions in the AA. NNB's major competitors for mortgage lending in the AA are: Wells Fargo Bank, NA, ranked 1st with an 8.99 percent market share; Freedom Mortgage Corporation ranked 2nd with a 5.58 percent market share; Finance of America Mortgage LL ranked 3rd with a 5.04 percent market share.

The following chart provides a summary of demographic information for the AA from 2017 and 2018.

Table A – 2017-2018 Demographic Information of the Assessment Area						
Assessment Area: Newfield AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	83	2.4	13.3	55.4	25.3	3.6
Population by Geography	372,974	3.3	11.3	55.6	27.7	2.1
Housing Units by Geography	137,752	2.2	12.3	58.7	26.8	0.0
Owner-Occupied Units by Geography	95,322	0.8	8.0	60.7	30.5	0.0
Occupied Rental Units by Geography	31,605	6.0	22.5	53.8	17.7	0.0
Vacant Units by Geography	10,825	4.1	19.7	55.6	20.6	0.0
Businesses by Geography	19,112	1.8	12.8	55.8	29.5	0.1
Farms by Geography	709	0.4	5.4	55.4	38.8	0.0
Family Distribution by Income Level	91,353	18.9	17.5	21.6	42.0	0.0
Household Distribution by Income Level	126,927	22.7	15.0	18.4	43.9	0.0
Median Family Income MSA - 15804 Camden, NJ MD		\$87,133	Median Housing Value			\$191,118
Median Family Income MSA - 47220 Vineland-Bridgeton, NJ MSA		\$57,550	Median Gross Rent			\$1,013
			Families Below Poverty Level			8.5%

*Source: 2015 ACS Census and 2018 D&B Data
Due to rounding, totals may not equal 100.0
(* The NA category consists of geographies that have not been assigned an income classification.*

For the period from January 1, 2017 through December 31, 2018, data from the 2015 ACS Census was used in our analysis. NNB AA consists of the same AA from 2016. Of the 83 tracts, 2.4 percent are low-income geographies, 13.3 percent are moderate-income geographies, 55.4 percent are middle-income geographies, 25.3 percent are upper-income geographies, and 3.6 percent are unknown geographies.

The 2015 ACS U.S. Census reported the total population of the AA at 372,974. Within the AA, there are 91,353 families and 126,927 households. There are 137,752 housing units in the AA, and the median housing cost is \$191,118. Of the total housing units, 69 percent are owner occupied, 23 percent are renter occupied, and 8 percent are vacant housing units. In addition, 0.8 percent of the owner-occupied housing is located within a low-income geography, eight percent is located in moderate-income geographies, 60.7 percent is located in middle-income geographies, and 30.5 percent is located in upper-income geographies. Median family income for Camden, NJ MD and Vineland-Bridgeton, NJ MSA were \$87,133 and \$57,550, respectively. Approximately 18.9 percent of the families are low-income, 17.5 percent are moderate-income, 21.6 percent are middle-income, and 42 percent are upper-income. Also, approximately 8.5 percent are below the poverty level.

According to 2017 Peer Deposit Data, NNB's deposit market share within this AA is 10.68 percent, making NNB 2nd out of 27 institutions in the AA. NNB's primary competitors are: TD Bank, NA (15 offices, 14.56 percent market share), Branch Banking and Trust Company (eight offices, 7.77 percent market share), and OceanFirst Bank (five offices, 4.85 percent market share).

According to 2017 Peer Mortgage Data, NNB had a 1.56 percent loan market share, and ranked 16th among 309 lending institutions in the AA. NNB's major competitors for mortgage lending in the AA are: Wells Fargo Bank, NA, ranked 1st with a 7.75 percent market share; Finance of America Mortgage LL ranked 2nd with a 6.22 percent market share; and Pennymac Loan Services LLC ranked 3rd with a 5.72 percent market share.

The economy is stable. There have been no changes to the major employment sectors or major employers since 2016. The major employment sectors in Gloucester and Cumberland Counties are education and health services, professional and business services, government, manufacturing, and retail trade. The major employers are Virtua Health, McGuire-Dix Air Force Base, Cooper Health System, TD Bank Corp., Inspira Health Network, and Durand Glass Manufacturing Co. The AA includes the city of Vineland that has experienced historically high unemployment rates and the highest unemployment rate within the state.

Scope of Evaluation in New Jersey

The Newfield AA received a full-scope review since it is the only AA for the bank. The bank's primary loan products are home mortgage loans and small business loans. The small business loan product received higher weight as commercial lending is a larger portion of the bank's balance sheet compared to home mortgage loans.

LENDING TEST

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

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

Distribution of Loans by Income Level of the Geography

The bank exhibits reasonable distribution of home mortgage loans and loans to small businesses across geographies of different income levels in the AA. This meets the standard for satisfactory performance. There were no conspicuous gaps identified within the institution's AA.

Small Loans to Businesses

Refer to Table Q1 and Q2 in 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 loans to small businesses exhibits reasonable dispersion.

In 2016 (Table Q1), the percentage of loans to small businesses in low income geographies was well below the percentage of businesses in the geography. The percentage of loans to small businesses in moderate income geographies was below the percentage of businesses in the geography. The bank's performance to lending in small businesses across geographies in 2017-2018 was similar to the performance in 2016. In 2017-2018 (Table Q2), the percentage of loans to small businesses in low income geographies was well below the percentage of businesses in the geography. The percentage of loans to small businesses in moderate income geographies was below the percentage of businesses in the geography. We determined the performance is reasonable based on the limited opportunity to lend.

Home Mortgage Loans

Refer to Table O1 and O2 in Appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases. The geographic distribution of home mortgage loans in the AA reflects reasonable dispersion.

For 2016 (Table O1), the bank did not make any home mortgage loans in low-income geographies. However, opportunities to lend in the low-income CTs are limited as less than one percent or 772 units of owner-occupied housing were located in low-income geographies. The percentage of home mortgage loans NNB made in moderate-income geographies was near the percentage of owner-occupied housing within those geographies. NNB's performance was also comparable to the aggregate percentage of peer loans made within moderate-income geographies in 2016. This performance is adequate.

For the 2017 and 2018 evaluation period (Table O2), less than a half of a percent of home mortgage loans were originated to low-income geographies and is near the percentage of owner-occupied housing within this geography. The percentage of home mortgage loans NNB made in moderate-income geographies significantly exceeded the percentage of owner-occupied housing within those geographies. NNB exceeded the aggregated percentage of peer loans made within both low- and moderate-income geographies during the evaluation period. This performance is excellent.

Distribution of Loans by Income Level of the Borrower

The bank exhibits a reasonable distribution of loans to individuals of different income levels and businesses of different sizes.

Small Loans to Businesses

Refer to Table R1 and R2 in Appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to businesses. Based on the data presented in Table R for 2016, 2017 and 2018, we conclude NNB's record of lending to businesses of difference sizes was reasonable and meets the standard of outstanding performance.

In 2016 (Table R1), the percentage of loans to businesses with gross annual revenues of less than \$1 million was well above the percentage of businesses in the AA. Additionally, the bank's performance of lending to businesses with revenues of less than \$1 million far exceeded the aggregate peer lending performance.

In 2017-2018 (Table R2), the percentage of lending to businesses with gross annual revenues of less than \$1 million was similar to the bank's performance in 2016. The percentage of loans to businesses with gross annual revenues of less than \$1 million was well above the percentage of businesses in the AA and above the aggregate peer lending performance.

In each year, the majority of business loans were less than \$100,000; 58 percent in 2016, 65 percent in 2017, and 68 percent in 2018. The percentage of loans under \$100,000 by number of loans increased each year. In total, the bank made 562 small business loans under \$1,000,000, all within the Newfield AA. This indicates the bank is servicing the needs of small businesses.

2016: Borrower Distribution of Loans to Businesses by Loan Size in Newfield AA				
Loan Size (\$000's)	Number of Loans	Percent of Number	Dollar Volume of Loans (\$000)	Percent of Dollar Volume
\$0 - \$100,000	119	58%	\$5,086	19%
\$100,001 - \$250,000	54	26%	\$8,857	33%
\$250,001 - \$1,000,000	31	16%	\$13,095	48%
Total	204	100%	\$27,038	100%

2017: Borrower Distribution of Loans to Businesses by Loan Size in Newfield AA				
Loan Size (\$000's)	Number of Loans	Percent of Number	Dollar Volume of Loans (\$000)	Percent of Dollar Volume
\$0 - \$100,000	138	65%	\$6,785	24%
\$100,001 - \$250,000	48	23%	\$7,882	28%
\$250,001 - \$1,000,000	27	12%	\$13,641	48%
Total	213	100%	\$28,308	100%

2018: Borrower Distribution of Loans to Businesses by Loan Size in Newfield AA				
Loan Size (\$000's)	Number of Loans	Percent of Number	Dollar Volume of Loans (\$000)	Percent of Dollar Volume
\$0 - \$100,000	98	68%	\$4,996	25%
\$100,001 - \$250,000	26	18%	\$4,156	21%
\$250,001 - \$1,000,000	21	14%	\$10,687	54%
Total	145	100%	\$19,839	100%

Home Mortgage Loans

Refer to Table P1 and P2 in Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases. Based on the data presented in Table P for 2016 and 2017-2018, we concluded NNB's record of lending to borrowers of different income levels is reasonable and meets the standard of satisfactory performance.

For 2016, the distribution of mortgage loans reflects poor penetration among borrowers of different income levels. The percentage of home loans made to low-income borrowers is below the percentage of low-income families in the AA but exceeds the percentage of aggregate peer loans. The percentage of loans to moderate-income borrowers is below the percentage of moderate-income families and percentage of aggregate peer loans. NNB exceeded the percentage of aggregated peer loans made to low to moderate income groups in 2016.

For 2017 and 2018, the distribution of mortgage loans reflects reasonable penetration among borrowers of different income levels. The percentage of home loans made to low-income borrowers is below the percentage of low-income families in the AA. The bank's performance with low-income borrowers exceeded the aggregated percentage of peer loans made to low-income borrowers during the evaluation period. The percentage of loans made to moderate-income borrowers was below the percentage of moderate-income families in the AA and the aggregate percentage of peer banks. NNB exceeded the percentage of aggregated peer loans made to LMI groups in 2017 and 2018.

Responses to Complaints

The bank did not receive any CRA-related consumer complaints since the last CRA examination.

COMMUNITY DEVELOPMENT TEST

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

The bank exhibits excellent responsiveness to community development needs in the state through community development loans, qualified investments, and community development services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's AAs.

Number and Amount of Community Development Loans

NNB provided an outstanding level of CD loans. NNB originated 32 CD loans during the CD evaluation period (8/9/16 to 12/31/18). The breakout of the loans comprises 21 loans in Gloucester County totaling \$3.82 million and 11 loans in Cumberland County totaling \$789 thousand. The aggregate originated balance of the CD loans for both counties is \$4.61 million.

Examples of NNB's CD loans follows:

- \$10,000 loan for startup costs for a new business in an LMI geography. The business will help stabilize an LMI geography by establishing a new business and providing employment to residents in an LMI geography.
- \$43,323 loan to finance renovations and improvements to a store located in an LMI geography. The loan stabilizes the area by retaining an existing business and providing needed jobs.
- \$50,000 working capital loan to a business providing employment opportunities in an LMI geography.
- \$550,000 loan to a business located in an LMI geography. The loan assists in stabilizing an LMI geography by retaining an existing business and providing employment to low-to-moderate individuals.

Number and Amount of Qualified Investments

The bank has no new CD Investments within the evaluation period. Existing CD investments made within other evaluation periods include 5 qualified investments totaling \$1.185 million and include the following:

Qualified Investments					
Newfield Assessment Area	# of Inv.	Prior Period \$(000's)	Current Period \$(000's)	Unfunded Commitments (\$000's)	% of Total \$
Borough of Glassboro, NJ	2	\$545	\$0	\$0	45.99%
Camden County, NJ Improvement Authority	2	\$370	\$0	\$0	31.22%
Township of Mount Holly, NJ	1	\$150	\$0	\$0	12.66%
Cumberland County, NJ Improvement Authority	1	\$120	\$0	\$0	10.23%

** Prior Period Investments' means investments made in a previous evaluation that are outstanding as of the examination date.
 ** Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.*

Number and Amount of Community Development Donations

The bank made 21 qualifying donations totaling \$87,470 to organizations in the AA. These organizations provide funding in LMI geographies for affordable housing, rent-free office space, free or reduced-rate services (i.e., tax preparation), and support and guidance to children of single parents, and more. NNB also makes numerous donations to local food banks.

Examples of NNB’s CD donations follows:

- Three donations totaling \$1,300 to provide warming centers for homeless persons in the community. The organization serves multiple low- and moderate-income CTs tracts in the Cumberland County area.
- Fourteen donations totaling \$10.895 thousand to promotes business and community growth in an area defined as an Urban Enterprise Zone.
- One donation in the amount of \$1,000 to a volunteer organization that operates a soup kitchen and food panty in a moderate census tract.

Extent to Which the Bank Provides Community Development Services

During the evaluation period, NNB employees volunteered for numerous community development services within the bank's AA. Examples of organizations to which services were rendered include Habitat for Humanity, the Salvation Army, the Saint Agnes Soup kitchen, and the Food Bank of South Jersey. Several employees also volunteer in various areas designated as Urban Enterprise Zones.

Responsiveness to Community Development Needs

NNB's level of CD activities demonstrates favorable responsiveness to the needs and opportunities in its AA. The community contact indicated that current economic conditions of the area remain depressed with historically high unemployment rates.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the MSA(s) and non-MSA(s) that received comprehensive examination review, designated by the term “full-scope,” and those that received a less comprehensive review, designated by the term “limited-scope”.

Time Period Reviewed:	1/1/16 to 12/31/18	
Bank Products Reviewed:	Home Mortgage, small business Community Development-eligible loans, investments, donations, and services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
FNBN Investment Corp	Owned subsidiary	CRA Investments
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
State of New Jersey		
Newfield AA	Full-scope	<i>All of Cumberland County- total of 34 CTs & Portions of Gloucester County- total of 49 CTs</i>

Appendix B: Summary of State Ratings

RATINGS			
Newfield National Bank			
Overall Bank:	Lending Test Rating*	CD Test Rating	Overall Bank/State/Multistate Rating
Newfield National Bank	Satisfactory	Outstanding	Satisfactory
MMSA or State:			
New Jersey	Satisfactory	Outstanding	Satisfactory

(*) The Lending Test and Community Development Test carry equal weight 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 census tract delineated by the United States Bureau of the Census in the most recent decennial census.

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

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

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

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

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

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

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

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

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

Metropolitan Statistical Area (MSA): An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The 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.

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

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

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

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

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

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

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

Appendix D: Tables of Performance Data

Content of Standardized Tables

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

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

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

Table O1: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																	2016		
Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
Assessment Area	#	\$	% of Total	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	
Newfield AA	161	19,458	100.0	0.8	0.0	0.2	9.8	9.9	7.5	66.4	76.4	66.8	23.1	13.7	25.5	0.0	0.0	0.0	
Total	161	19,458	100.0	0.8	0.0	0.2	9.8	9.9	7.5	66.4	76.4	66.8	23.1	13.7	25.5	0.0	0.0	0.0	

*Source: 20XX U.S Census; 01/01/20XX - 01/01/20XX Bank Data, "--" data not available.
Due to rounding, totals may not equal 100.0*

Table O2: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																	2017-2018		
Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
Assessment Area	#	\$	% of Total	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	
Newfield AA	272	26,194	100.0	0.8	0.4	0.3	8.0	12.5	7.4	60.7	59.2	61.7	30.5	27.9	30.7	0.0	0.0	0.0	
Total	272	26,194	100.0	0.8	0.4	0.3	8.0	12.5	7.4	60.7	59.2	61.7	30.5	27.9	30.7	0.0	0.0	0.0	

*Source: 20XX U.S Census; 01/01/20XX - 01/01/20XX Bank Data, "--" data not available.
Due to rounding, totals may not equal 100.0*

Table P1: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2016
	Total Home Mortgage Loans			Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers			
Assessment Area:	#	\$	% of Total	% of Households	% Bank Loans	Aggregate	% of Households	% Bank Loans	Aggregate	% of Households	% Bank Loans	Aggregate	% of Households	% Bank Loans	Aggregate	% of Households	% Bank Loans	Aggregate	
Newfield AA	161	19,458	100.0	20.2	12.4	4.7	17.1	13.0	15.4	22.4	19.3	22.1	40.3	36.6	30.5	0.0	18.6	27.2	
Total	161	19,458	100.0	20.2	12.4	4.7	17.1	13.0	15.4	22.4	19.3	22.1	40.3	36.6	30.5	0.0	18.6	27.2	

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

Table P2: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2017-2018
	Total Home Mortgage Loans			Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers			
Assessment Area:	#	\$	% of Total	% of Households	% Bank Loans	Aggregate	% of Households	% Bank Loans	Aggregate	% of Households	% Bank Loans	Aggregate	% of Households	% Bank Loans	Aggregate	% of Households	% Bank Loans	Aggregate	
Newfield AA	272	26,194	100.0	18.9	13.6	5.8	17.5	16.2	18.6	21.6	21.3	22.8	42.0	36.0	27.6	0.0	12.9	25.1	
Total	272	26,194	100.0	18.9	13.6	5.8	17.5	16.2	18.6	21.6	21.3	22.8	42.0	36.0	27.6	0.0	12.9	25.1	

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

Table Q1: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography													2016	
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	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
Newfield AA	204	27,038	100.0	3.8	1.5	12.0	7.4	61.2	58.8	23.1	32.4	0.0	0.0	
Total	204	27,038	100.0	3.8	1.5	12.0	7.4	61.2	58.8	23.1	32.4	0.0	0.0	

*Source: 20XX D&B Data; 01/01/20XX - 12/31/20XX Bank Data; "--" data not available.
Due to rounding, totals may not equal 100.0*

Table Q2: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography													2017-2018	
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	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
Newfield AA	358	48,149	100.0	1.8	0.3	12.8	10.6	55.8	48.9	29.5	40.2	0.1	0.0	
Total	358	48,149	100.0	1.8	0.3	12.8	10.6	55.8	48.9	29.5	40.2	0.1	0.0	

*Source: 20XX D&B Data; 01/01/20XX - 12/31/20XX Bank Data; "--" data not available.
Due to rounding, totals may not equal 100.0*

Table R1: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2016	
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
Newfield AA	204	27,038	100.0	6,347	82.1	95.6	41.4	6.3	4.4	11.6	0.0	
Total	204	27,038	100.0	6,347	82.1	95.6	41.4	6.3	4.4	11.6	0.0	
<i>Source: 20XX D&B Data; 01/01/20XX - 12/31/20XX Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0</i>												

Table R2: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2017-2018	
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
Newfield AA	358	48,149	100.0	6,477	82.9	92.4	46.3	6.0	7.5	11.2	0.0	
Total	358	48,149	100.0	6,477	82.9	92.4	46.3	6.0	7.5	11.2	0.0	
<i>Source: 20XX D&B Data; 01/01/20XX - 12/31/20XX Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0</i>												