



## **PUBLIC DISCLOSURE**

October 21, 2019

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

Commerce National Bank and Trust  
Charter Number 24359

1201 South Orlando Avenue, Suite 100 Winter Park, FL 32789

Office of the Comptroller of the Currency

4042 Park Oaks Blvd  
Suite 240  
Tampa, FL 33610

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

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## Overall CRA Rating

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

**The lending test is rated Satisfactory.**

The Lending Test rating is based on the bank's performance in the assessment area (AA) in the State of Florida.

The major factors that support this rating include:

- The bank's loan-to-deposit ratio is more than reasonable.
- The majority of loans are made in the assessment area.
- The geographic distribution of loans demonstrates reasonable dispersion in the assessment area.
- Lending to borrowers of different incomes and businesses of different sizes demonstrates reasonable distribution.

### Loan-to-Deposit Ratio

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

Commerce National Bank and Trust's (CNBT) average loan-to-deposit (LTD) ratio is more than reasonable and exceeds peer group averages. The bank's average LTD ratio for the evaluation period was 93.5 percent, which exceeds the peer banks' average LTD ratio of 69.0 percent for the same time period. The ratios were calculated and averaged for each calendar quarter from January 1, 2015 through December 31, 2018. The peer group used for this analysis included banks with total assets below \$300 million located in the Orlando-Kissimmee-Sanford, FL (Metropolitan Statistical Area) MSA and neighboring MSAs; there are nine banks in this peer group.

### Lending in Assessment Area

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

CNBT originated 56 percent of its total loans inside the bank's AA during the evaluation period.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage Loans	40	51.28	38	48.72	78	16,425	49.17	16,981	50.83	33,406
Business Loans	103	58.52	73	41.48	176	38,088	46.68	43,502	53.32	81,590
Total	143	56.30	111	43.70	254	54,513	47.40	60,484	52.60	114,997

This percentage does not include home mortgage loans originated and sold by CNBT on behalf of third-party lenders. During the evaluation period, CNBT originated and sold \$28.3 million in home mortgage

loans on behalf of third-party lenders. This represents 37 percent of total home mortgage loan activity done by the bank.

## Description of Institution

Commerce National Bank and Trust (CNBT) is a single-state bank wholly-owned by Commerce National Bancshares of Florida, Inc., a one-bank holding company headquartered in Winter Park, Florida. The bank was established on February 3, 2003, under the name of Commercial National Bank. On January 1, 2006, the bank received trust powers and changed its name accordingly.

CNBT has one branch location in Winter Park, FL. This location also has a deposit-taking automated teller machine (ATM) and a drive-up facility. Deposits are primarily sourced from the local community. As such, the bank has one AA and one rating area for this evaluation.

As of September 30, 2019, the bank had total assets of \$113.7 million with net loans comprising 73 percent of total assets, or \$83 million. Tier one capital totals \$14.5 million. There are no financial or legal impediments that would prevent the bank from meeting the credit needs of the community it serves. The last CRA evaluation was performed August 24, 2015. The bank received a “Satisfactory” rating.

CNBT offers a variety of lending products, but the primary focus is lending to businesses. During the evaluation period, business lending comprised 54 percent of the total number and 63 percent of the total dollar volume of the bank’s loan originations or purchases.

Loan Type	Number	% of Number	Dollar Volume	% of Dollar Volume
Business Loans	176	54.15%	\$81,590,437.04	62.92%
Residential Loans	78	24.00%	\$33,406,793.07	25.76%
Consumer Loans	71	21.85%	\$14,670,187.16	11.31%
Total Loans	325	100.00%	\$129,667,417.27	100.00%

Source: Bank Data

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

The evaluation period includes all reported activity from January 1, 2015 to December 31, 2018. The evaluation considered home mortgage lending activity and small business lending activity during this period.

### Impact of Census Changes

For this evaluation, *borrower* income classifications of low-, moderate-, middle-, and upper-income are based on median family income data that is updated annually. *Geographic* income classifications are based on the Census American Community Survey (ACS) data that is updated every five years. For CNBT’s evaluation, analysis of the geographic distribution used ACS information that changed during the evaluation period. Performance tables in appendix D reflect these changes, resulting in separate presentations of performance data for 2015-2016 (using 2010 ACS data) and 2017-2018 (using 2015 ACS data). However, all performance was considered in arriving at our overall conclusions and ratings.

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

CNBT has one assessment area (AA), which was evaluated as a full-scope AA. Refer to the “Scope” section under each State Rating for details regarding how full-scope AAs were selected. Refer to appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

### **Ratings**

CNBT has one AA; therefore, the overall rating is based on the lending performance in this AA. Business loans represented the greater portion of the bank’s lending during the evaluation period. Therefore, business loan performance was given greater consideration in the overall rating conclusions.

### **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 Florida

**CRA rating for the State of Florida<sup>1</sup>:** Satisfactory

**The Lending Test is rated:** Satisfactory

The major factors that support this rating include:

- The geographic distribution of loans demonstrates reasonable dispersion in the assessment area.
- Lending to borrowers of different incomes and businesses of different sizes demonstrates reasonable distribution.

### Description of Institution's Operations in Florida

CNBT has one branch, located in Winter Park, FL. This branch also has a deposit-taking automated teller machine (ATM) and a drive-up facility. CNBT has 0.68 percent of the total number of branches in the AA for all banks. The bank offers a variety of lending products, but the primary focus is lending to businesses.

CNBT's AA is a portion of Orange County, in the Orlando-Kissimmee-Sanford MSA ("Orlando MSA"). The entire MSA is comprised of four counties—Osceola, Orange, Seminole and Lake. The bank's AA is reasonable given the size of the bank and its lending capacity. The AA meets the legal requirements of the CRA and does not arbitrarily exclude any low- to moderate-income (LMI) geographies. Demographic data on CNBT's AA is presented in Table A below.

The bank's total deposits are \$97 million as of year-end 2018. This represents 0.38 percent of the total market share of deposits and places the bank at the 26<sup>th</sup> rank; with 39 banks having branches in the AA for a total of \$26 billion in deposits. Banking competition is high and includes community banks, regional banks, large national banks and credit unions. The aforementioned 39 banks have 146 branches in the AA; which comprises only a portion of Orange County within the broader 4-county MSA. The top 5 banks in the AA hold 68 percent of total deposits in the AA-- SunTrust Bank, Bank of America, N.A., Wells Fargo Bank, N.A., Fairwinds Credit Union and IberiaBank.

#### *Community Contacts*

During this evaluation, we contacted a community organization in the AA and incorporated information from other community contacts conducted during the evaluation period. The community contacts provided an assessment of the community's credit needs, opportunities in which financial institutions may participate in meeting those needs, and information on the perception of financial institutions involvement in the community. Housing needs include more financing to create new units and preserve existing units of affordable housing; In addition, more financial support for homebuyer downpayment assistance programs is needed. Credit needs related to small business include flexible

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<sup>1</sup> This rating reflects performance within the state. The statewide evaluations do not reflect performance in the parts of those states contained within a multistate Metropolitan Statistical Area (MMSA).

underwriting standards for small business owners with credit issues; and support—through loans, investments and technical assistance—for community organizations that assist small businesses.

## CNBT Assessment Area

Table A (1) – Demographic Information of the Assessment Area						
Assessment Area: Commerce NBT AA 2016						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	104	2.9	46.2	25.0	26.0	0.0
Population by Geography	444,174	1.5	49.1	28.5	20.9	0.0
Housing Units by Geography	210,161	1.5	46.9	29.8	21.8	0.0
Owner-Occupied Units by Geography	85,079	0.7	38.1	30.3	30.9	0.0
Occupied Rental Units by Geography	92,265	2.2	53.8	29.3	14.7	0.0
Vacant Units by Geography	32,817	1.8	50.3	29.7	18.1	0.0
Businesses by Geography	56,806	0.6	41.6	25.4	32.5	0.0
Farms by Geography	917	0.7	39.8	26.6	32.9	0.0
Family Distribution by Income Level	99,331	26.7	21.9	18.6	32.8	0.0
Household Distribution by Income Level	177,344	28.5	20.0	18.6	32.9	0.0
Median Family Income MSA - 36740 Orlando-Kissimmee-Sanford, FL MSA		\$58,474	Median Housing Value			\$212,294
			Median Gross Rent			\$952
			Families Below Poverty Level			12.8%

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.

Table A (2) – Demographic Information of the Assessment Area						
Assessment Area: Commerce NBT AA 2018						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	104	10.6	39.4	22.1	27.9	0.0
Population by Geography	473,188	9.3	45.9	22.4	22.4	0.0
Housing Units by Geography	215,436	9.0	42.4	23.9	24.7	0.0
Owner-Occupied Units by Geography	78,503	4.5	36.3	24.4	34.9	0.0
Occupied Rental Units by Geography	106,617	12.0	46.5	23.7	17.8	0.0
Vacant Units by Geography	30,316	10.2	44.0	23.0	22.7	0.0
Businesses by Geography	61,587	4.1	39.0	23.1	33.9	0.0
Farms by Geography	1,019	5.0	37.6	24.9	32.5	0.0
Family Distribution by Income Level	102,160	30.2	19.0	17.8	33.0	0.0
Household Distribution by Income Level	185,120	30.5	18.3	18.1	33.2	0.0
Median Family Income MSA - 36740 Orlando-Kissimmee-Sanford, FL MSA		\$57,304	Median Housing Value			\$152,085
			Median Gross Rent			\$980
			Families Below Poverty Level			18.0%

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.



## Scope of Evaluation in Florida

CNBT has a single branch and one AA. The scope of the evaluation in Florida is discussed on page 4 of this Evaluation.

## LENDING TEST

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

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

In our evaluation of the bank's lending, consideration was given to context factors that impacted the bank's performance. CNBT is a small bank in total dollars of assets, loans and deposits, even when compared to peer banks in the AA and in the broader MSA. The level of banking competition in the AA also presented challenges to lend. There are also context factors related to housing availability in LMI geographies and housing affordability for LMI families. These are discussed in the performance conclusions below.

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

The bank exhibits reasonable geographic distribution of home mortgage loans and small business loans in the AA.

#### *Home Mortgage Loans*

Refer to Table O 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.

CNBT had no mortgage lending in low-income geographies in 2015-2016; but exceeded the owner-occupied housing comparator, as well as exceeded the level of home mortgage loans by other lenders in low-income geographies in 2017-2018. There were no home mortgage loans in moderate-income geographies in 2015-2016, while the level of home mortgage loans in moderate-income geographies in 2017-2018 was adequate, considering the bank's size and capacity.

Geographically, half of the housing units in the AA are in LMI census tracts, at 51.4%, with the greatest concentration in moderate-income census tracts. Over half of the housing units in the AA are rentals, across all income categories. There is also a high level of vacant units across the AA, at 14 percent; most notably in moderate-income census tracts. There are two factors that contributed to the level of vacancies: (1) a surge in redevelopment in the moderate-income areas of the AA where housing units are being purchased and renovated by investors; and (2) the number of housing units across the AA that are owned by part-time, seasonal residents. Orlando is among the top cities in the U.S. with a high number of vacant units owned by part-time residents, along with Tampa and Miami.<sup>2</sup> These context factors impacted housing availability in LMI geographies.

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<sup>2</sup> Orlando Sentinel; Mar 15, 2019

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

Refer to Table Q 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.

Small 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.

CNBT had no small loans to businesses in 2015-2016 in low-income census tracts; but exceeded the business comparator as well as exceeding the percent of small loans to businesses by other lenders in 2017-2018. Small loans to businesses in moderate-income census tracts for 2017-2018 was low compared to the business comparator and compared to the percent of small loans to business by other lenders in these census tracts. In the AA, businesses are geographically concentrated along major corridors; and very few businesses are located in low-income areas—313 businesses in total. However, there are more businesses located in moderate-income geographies in the AA than in other geographies. In evaluating CNBT's small loans to businesses, consideration was given to CNBT's size, lending capacity and competition in the AA from banks and other nonbank lenders for small loans to business.

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

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

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

Refer to Table P 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.

CNBT's had no mortgage lending to moderate-income borrowers in 2015-2016, and a low level of lending to moderate-income borrowers in 2017-2018; CNBT had a very good percentage of lending to low-income borrowers compared to other lenders in 2015-2016 and 2017-2018.

Housing affordability in the AA impacted home mortgage lending to LMI families during the evaluation period. According to the National Association of Realtors, the median sales price for existing homes in the Orlando MSA was \$265,000 for 2018, an increase of 8.2 percent from 2017<sup>3</sup>. In 2018, the estimated median family income for the Orlando MSA was \$62,900, with low-income families earning less than \$31,450 and moderate-income families earning less than \$50,320. If no more than 30 percent of income were spent on housing, affordable rents would range from \$786 to \$1,258 per month; an affordable home price would range from \$146,464 to \$234,342. In addition, investors continue to compete with potential homebuyers for affordable home inventories in the metro areas of Florida. In 2017, 25 percent of home sales in the Orlando MSA were cash transactions (*source: National Association of Realtors*). Given these circumstances, LMI families are challenged to afford homeownership in the MSA and the AA; and access to affordable rental housing poses a significant challenge for low-income families.

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<sup>3</sup> 2019 National Association of REALTORS®

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

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

Small 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 businesses are those with annual *revenues* of \$1 million or less.

CNBT's small loans to small businesses was lower than the overall level of small businesses in the AA; however, the bank's percent of lending to small businesses met the level of loans made by other lenders in the AA. In evaluating CNBT's small loans to businesses, consideration was given CNBT's size, lending capacity and competition in the AA from banks and other nonbank lenders. Context issues that impact small business access to lending were also considered and discussed below.

Several factors present challenges for small business access to lending—business capacity and creditworthiness. The majority of businesses across the AA are very small, with four or fewer employees. Further, in 2016 the Florida Small Business Development Center noted in its Small Business Impact Report that, statewide, only 53 percent of small businesses in the State were operating at a profit<sup>4</sup>. The credit issues of small business owners related to poor credit scores and a lack of equity were also noted by community contacts as an impediment to traditional bank financing.

### **Responses to Complaints**

No complaints related to the bank's CRA performance were received during the evaluation period.

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<sup>4</sup> <http://floridasbdc.org>

# 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>	January 1, 2015 to December 31, 2018	
<b>Bank Products Reviewed:</b>	Business loans Home mortgage loans	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
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>State of Florida</b>		
portion of the Orlando-Kissimmee-Sanford, Florida, Metropolitan Statistical Area (MSA) #36740	Full-scope	

## Appendix B: Summary of MMSA and State Ratings

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RATINGS		Commerce National Bank & Trust	
<b>Overall Bank:</b>		<b>Lending Test Rating</b>	
Commerce National Bank & Trust		Satisfactory	
<b>State:</b>			
Florida		Satisfactory	

## Appendix C: Definitions and Common Abbreviations

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Metropolitan Statistical Area:** An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

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

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

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

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

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

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

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

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

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



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

## Appendix D: Tables of Performance Data

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### Content of Standardized Tables

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

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

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

<b>Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography</b>																				<b>2015-16</b>	
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts				
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate		
Commerce NBT AA 2016	17	5,594	100.0	10,115	0.7	0.0	0.2	38.1	11.8	29.3	30.3	23.5	32.5	30.9	64.7	38.0	0.0	0.0	0.0		
<b>Total</b>	<b>17</b>	<b>5,594</b>	<b>100.0</b>	<b>10,115</b>	<b>0.7</b>	<b>0.0</b>	<b>0.2</b>	<b>38.1</b>	<b>11.8</b>	<b>29.3</b>	<b>30.3</b>	<b>23.5</b>	<b>32.5</b>	<b>30.9</b>	<b>64.7</b>	<b>38.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		

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

<b>Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography</b>																				<b>2017-18</b>	
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts				
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate		
Commerce NBT AA 2018	21	9,446	100.0	10,947	4.5	4.8	3.8	36.3	0	34.1	24.4	4.8	25.4	34.9	90.4	36.7	0.0	0.0	0.0		
<b>Total</b>	<b>21</b>	<b>9,446</b>	<b>100.0</b>	<b>10,947</b>	<b>4.5</b>	<b>4.8</b>	<b>3.8</b>	<b>36.3</b>	<b>0</b>	<b>34.1</b>	<b>24.4</b>	<b>4.8</b>	<b>25.4</b>	<b>34.9</b>	<b>90.4</b>	<b>36.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		

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

<b>Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower</b>																		<b>2015-16</b>		
	<b>Total Home Mortgage Loans</b>				<b>Low-Income Borrowers</b>			<b>Moderate-Income Borrowers</b>			<b>Middle-Income Borrowers</b>			<b>Upper-Income Borrowers</b>			<b>Not Available-Income Borrowers</b>			
<b>Assessment Area:</b>	<b>#</b>	<b>\$</b>	<b>% of Total</b>	<b>Overall Market</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	
Commerce NBT AA 2016	17	5,594	100.0	10,115	26.7	17.6	5.6	21.9	0.0	14.9	18.6	17.6	17.8	32.8	58.8	46.0	0.0	5.9	15.7	
<b>Total</b>	<b>17</b>	<b>5,594</b>	<b>100.0</b>	<b>10,115</b>	<b>26.7</b>	<b>17.6</b>	<b>5.6</b>	<b>21.9</b>	<b>0.0</b>	<b>14.9</b>	<b>18.6</b>	<b>17.6</b>	<b>17.8</b>	<b>32.8</b>	<b>58.8</b>	<b>46.0</b>	<b>0.0</b>	<b>5.9</b>	<b>15.7</b>	

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

<b>Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower</b>																		<b>2017-18</b>		
	<b>Total Home Mortgage Loans</b>				<b>Low-Income Borrowers</b>			<b>Moderate-Income Borrowers</b>			<b>Middle-Income Borrowers</b>			<b>Upper-Income Borrowers</b>			<b>Not Available-Income Borrowers</b>			
<b>Assessment Area:</b>	<b>#</b>	<b>\$</b>	<b>% of Total</b>	<b>Overall Market</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	
Commerce NBT AA 2018	21	9,446	100	10,947	30.2	4.8	6.7	19.0	4.8	16.5	17.8	--	18.3	33.0	80.9	41.7	0.0	9.5	16.8	
<b>Total</b>	<b>21</b>	<b>9,446</b>	<b>100</b>	<b>10,947</b>	<b>30.2</b>	<b>4.8</b>	<b>6.7</b>	<b>19.0</b>	<b>4.8</b>	<b>16.5</b>	<b>17.8</b>	<b>--</b>	<b>18.3</b>	<b>33.0</b>	<b>80.9</b>	<b>41.7</b>	<b>0.0</b>	<b>9.5</b>	<b>16.8</b>	

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

<b>Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography</b>																				<b>2015-16</b>
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	
Commerce3 NBT AA 2016	47	20,711	100.0	15,122	0.6	0.0	0.3	41.6	6.4	39.0	25.4	23.4	23.8	32.5	70.2	36.9	0.0	0.0	0.0	
<b>Total</b>	<b>47</b>	<b>20,711</b>	<b>100.0</b>	<b>15,122</b>	<b>0.6</b>	<b>0.0</b>	<b>0.3</b>	<b>41.6</b>	<b>6.4</b>	<b>39.0</b>	<b>25.4</b>	<b>23.4</b>	<b>23.8</b>	<b>32.5</b>	<b>70.2</b>	<b>36.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	

*Source: 2016 D&B Data; 01/01/2015 - 12/31/2016 Bank Sample Data; 2016 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0*

<b>Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography</b>																				<b>2017-18</b>
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	
Commerce NBT AA 2018	56	17,376	100.0	14,253	4.1	5.4	3.3	39.0	10.7	38.2	23.1	30.3	22.9	33.9	53.6	35.6	0.0	0.0	0.0	
<b>Total</b>	<b>56</b>	<b>17,376</b>	<b>100.0</b>	<b>14,253</b>	<b>4.1</b>	<b>5.4</b>	<b>3.3</b>	<b>39.0</b>	<b>10.7</b>	<b>38.2</b>	<b>23.1</b>	<b>30.3</b>	<b>22.9</b>	<b>33.9</b>	<b>53.6</b>	<b>35.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	

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

<b>Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues</b>											<b>2015-16</b>	
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	
Commerce NBT AA 2016	47	20,711	100.0	15,122	86.6	44.7	44.6	5.2	40.4	8.2	14.9	
<b>Total</b>	<b>47</b>	<b>20,711</b>	<b>100.0</b>	<b>15,122</b>	<b>86.6</b>	<b>44.7</b>	<b>44.6</b>	<b>5.2</b>	<b>40.4</b>	<b>8.2</b>	<b>14.9</b>	
<i>Source: 2016 D&amp;B Data; 01/01/2015 - 12/31/2016 Bank Sample Data; 2016 CRA Aggregate Data, "--" data not available.                      Due to rounding, totals may not equal 100.0</i>												

<b>Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues</b>											<b>2017-18</b>	
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	
Commerce NBT AA 2018	56	17,376	100.0	14,253	86.7	46.4	48.9	5.2	37.5	8.1	16.1	
<b>Total</b>	<b>56</b>	<b>17,376</b>	<b>100.0</b>	<b>14,253</b>	<b>86.7</b>	<b>46.4</b>	<b>48.9</b>	<b>5.2</b>	<b>37.5</b>	<b>8.1</b>	<b>16.1</b>	
<i>Source: 2018 D&amp;B Data; 01/01/2017 - 12/31/2018 Bank Sample Data; 2017 CRA Aggregate Data, "--" data not available.                      Due to rounding, totals may not equal 100.0</i>												