



PUBLIC DISCLOSURE

November 6, 2019

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The Putnam County National Bank of Carmel
Charter Number 976

43 Gleneida Avenue
Carmel, NY 10512

Office of the Comptroller of the Currency

343 Thornall Street
Edison, NJ 08837

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

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Overall CRA Rating

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

The lending test is rated: Satisfactory.

The major factors that support this rating include:

- The Putnam County National Bank of Carmel's (PCNB or bank) performance in the state of New York is satisfactory.
- The Lending Test rating is based solely on the bank's performance in the state of New York, which contains the bank's entire assessment area (AA).

Loan-to-Deposit Ratio

The LTD ratio is reasonable considering the bank's size, financial condition, and credit needs of the AA. The bank's LTD ratios over the 12 quarters during the evaluation period averaged 60.5 percent. Quarterly ratios ranged between 57.9 percent and 62.8 percent. We evaluated PCNB's average LTD ratio by comparing it to six similarly situated state and federal banking institutions operating in the state of New York. Peer institutions operate in Cayuga, St. Lawrence, Ulster, Dutchess, Greene and Schoharie counties with total assets ranging from \$152.9 million to \$335.4 million. PCNB's average LTD is reasonable compared to peer institutions, ranking fourth out of seven.

Lending in Assessment Area

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

The bank originated 59.7 percent of its total home mortgage loans inside the AA during the evaluation period. This analysis is performed at the bank, rather than the AA, level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria.

As shown in table 1, the bank originated 62 home mortgage loans totaling \$21.4 million during the evaluation period. The bank originated 37 home mortgage loans in the amount of \$11.2 million within its AA, representing 52.3 percent of lending by dollar amount and 59.7 percent of total home mortgage loans by number.

Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2016	16	69.6	7	30.4	23	3,174	51.0	3,060	49.0	6,234
2017	9	52.9	8	47.1	17	3,416	50.1	3,409	49.9	6,825
2018	12	54.5	10	45.5	22	4,601	55.3	3,725	44.7	8,326
Total	37	59.7	25	40.3	62	11,191	52.3	10,194	47.7	21,385

Description of Institution

The Putnam County National Bank of Carmel is a family owned national bank headquartered in Carmel, Putnam County, New York. As of December 31, 2018, the bank has \$164.7 million in total assets. The bank did not have any merger or acquisition activity during the evaluation period that impacted banking activities. PCNB is an independent bank without a holding company, affiliates or subsidiaries.

PCNB has one AA, all of which is in the state of New York. The AA consists of Putnam County and portions of Dutchess and Westchester counties which are all contained within the New York-Newark-Jersey City, NY-NJ-PA Metropolitan Statistical Area (MSA) (#35620). PCNB designated twenty-five census tracts (CTs) within the Dutchess County-Putnam County, NY Metropolitan Division (MD) and one CT within the New York-Jersey City-White Plains-NY-NJ MD as its AA. The one CT in the New York-Jersey City-White Plains-NY-NJ MSA is located in Westchester County. PCNB selected its AA by designating a contiguous area surrounding its branches. The AA does not arbitrarily exclude any low- or moderate-income geographies.

PCNB operates six branches and one loan office in the state of New York. Five branches and one ATM are located in Putnam County and one branch is located in Westchester County. No branches were opened or closed throughout the evaluation period. Branch office hours are regular business hours Monday through Friday with four branches open on Saturday.

PCNB's primary business strategy consists of real estate lending centered on 1-4 family residential, multifamily and commercial mortgages. As of December 31, 2018, the bank has \$79.1 million in net loans, representing 48 percent of total assets. Real estate loans total \$77.6 million, or 98 percent of net loans. Real estate loans are comprised of \$35.4 million in 1-4 family residential mortgages and \$42.2 million in commercial mortgages, of which \$17.1 million are in multifamily mortgages. As of December 31, 2018, Tier 1 capital totals \$33.1 million.

PCNB received a rating of "Satisfactory" in the prior CRA Performance Evaluation dated July 13, 2015. There are no legal, financial or other factors that impeded PCNB's ability to meet the credit needs of the community in its AA during the evaluation period.

Scope of the Evaluation

Evaluation Period/Products Evaluated

We evaluated PCNBs CRA performance over the period from January 1, 2016 through December 31, 2018. In order to assess performance, we reviewed all home mortgage loans originated during the evaluation period. The AA demographic data changed over the course of the evaluation period following the implementation of 2015 ACS Census Data, effective January 1, 2017. Therefore, we analyzed the data from 2017-2018 as a separate review period from 2016.

Selection of Areas for Full-Scope Review

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

Ratings

The bank’s overall rating is a blend of the state ratings, and where applicable, multistate ratings. The bank is only active in the state of New York and has only one AA. The overall rating is based solely on CRA activity in the state of New York.

Discriminatory or Other Illegal Credit Practices Review

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

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

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

State Rating

State of New York

CRA rating for the State of New York¹: Satisfactory

The Lending Test is rated: Satisfactory

The major factors that support this rating include:

- The LTD ratio is reasonable.
- The bank originated a majority of home mortgage loans inside the AA.
- The geographic distribution of home mortgage loans in the AA was reasonable during the evaluation period
- The distribution of loans to individuals of different income levels was reasonable during the evaluation period.

Description of Institution's Operations in New York

PCNB offers traditional lending products with a focus on real-estate lending. PCNB also offers consumer loans, construction loans and commercial and industrial loans to a lesser extent. A substantial majority, 73 percent by dollar volume and 54% by number, of all loan originations and purchases during the evaluation period were home mortgage loans. PCNB also actively lends to individuals and businesses that own residential real estate as investments properties, with these loans representing 21 percent by dollar and 17% by number of the home mortgage originations during the review period. The bank originated all home mortgage loans and did not purchase any loans.

PCNB's product offerings also include personal and business deposit accounts, online banking and mobile banking. As of December 31, 2018, PCNB has \$128.2 million in total deposits with \$89.8 million in savings, and \$22.8 million in Demand Deposits, NOW, and Money Market Accounts.

Economic conditions in the Dutchess County-Putnam County, NY MD, where primary lending occurs, improved during the evaluation period. As of December 31, 2018, the unemployment rate was 3.3 percent, decreasing from 4.4 percent as of January 1, 2016. This compares favorably to both state and national averages of 3.9 percent and 4.0 percent respectively according to the US Bureau of Labor. The population of the Dutchess County-Putnam County, NY MD remained relatively stable throughout the evaluation period. Primary industries in the area consist of businesses in the service industry, education and health service industry, retail trade, manufacturing, and construction. Top employers are HealthQuest, IBM, Global Foundries and Bard College.

¹ This rating reflects performance within the state. The statewide evaluations do not reflect performance in the parts of those states contained within a MMSA.

PCNB's AA includes thirteen CTs located in upper-income neighborhoods, 11 CTs located in middle-income neighborhoods, two CTs located in moderate-income neighborhoods and no CTs located in low-income neighborhoods. According to 2015 ACS Census data, median family income for the Dutchess County-Putnam County MD is \$94.4 thousand. Median family income for the New York-Jersey City-White Plains-NY-NJ MD, which contains the one CT in Westchester County, is \$72.1 thousand. The median housing value in the bank's AA is \$361.1 thousand with median gross rent at \$1.3 thousand. Three percent of families live below the poverty level. Low-income families made less than \$48.7 thousand in the Dutchess County-Putnam County MD and \$39 thousand in the New York-Jersey City-White Plains-NY-NJ MD. The median housing values are 7.4x and 9.3x the low-income thresholds in the Dutchess County-Putnam County MD and New York-Jersey City-White Plains-NY-NJ MD, respectively, which is a significant barrier to lending opportunities for low- and moderate-income borrowers seeking homeownership. Refer to Table A on the following page for additional details on the demographic make-up of the PCNB's AA.

PCNB operates in a highly competitive area that includes a variety of active large, mid-size and community banks. According to FDIC Deposit Market Share Report as of June 30, 2018, there are 210 institutions active in the assessment area. PCNB has a very low deposit share of 0.01 percent in the AA. JP Morgan Chase, NA has the largest share of the deposit market at 33.3 percent. Citibank, NA is second with 6.3 percent of the deposit market share. There is a strong competition for home mortgage loans in the AA. PCNB holds a market share of less than one percent. Based on 2018 HMDA data, Wells Fargo has the highest home mortgage lending market share in Putnam County with 10.3 percent. JP Morgan Chase, NA has the second highest home mortgage lending market share with 9.1 percent of the market. PCNB focuses on relationship banking and has limited home mortgage lending opportunities due to the high competition and low deposit market share in the area.

We contacted a local community organization in the area that provides social and health services to low- and moderate-income families and others in need. Our contact indicated there is a need for more affordable housing, sustainable job opportunities and family services. Our contact stated they are pleased with financial institution involvement in the community from both a funding and volunteer perspective. However, our contact stated there remains greater opportunity for more investment into grants, programs and funds, most notably, the opportunity to fully-fund grants, programs and services rather than provide partial-funding.

State of New York

Table A – Demographic Information of the Assessment Area

Assessment Area: PCNB AA, 2018

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	26	0.0	7.7	42.3	50.0	0.0
Population by Geography	128,300	0.0	4.9	45.7	49.4	0.0
Housing Units by Geography	49,549	0.0	5.2	45.0	49.9	0.0
Owner-Occupied Units by Geography	36,099	0.0	4.0	44.7	51.3	0.0
Occupied Rental Units by Geography	7,886	0.0	10.0	45.6	44.4	0.0
Vacant Units by Geography	5,564	0.0	5.7	46.0	48.3	0.0
Businesses by Geography	8,663	0.0	5.1	39.9	55.0	0.0
Farms by Geography	409	0.0	2.9	45.2	51.8	0.0
Family Distribution by Income Level	33,637	14.5	15.4	20.6	49.6	0.0
Household Distribution by Income Level	43,985	18.9	12.2	16.9	51.9	0.0
			Median Housing Value			\$361,405
Median Family Income Dutchess County – Putnam County MD	\$94,443		Median Gross Rent			\$1,298
Median Family Income New York-Jersey City-White Plains MD	\$72,047		Families Below Poverty Level			3.0%

*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 New York

We conducted a full-scope review of PCNB’s only AA located entirely in the state of New York and the overall CRA rating is based solely on the bank’s performance in this AA.

Changes to the bank’s AA demographic data that resulted from implementation of the 2015 ACS Census necessitated that performance for 2016 be considered separately from performance for 2017-2018 resulting in smaller sample sizes for both review periods. We are not able to perform a meaningful analysis of the 2016 performance because PCNB did not originate a sufficient number of loans in the review period. Therefore, our analysis relied on the bank’s performance in the 2017-2018 review period.

LENDING TEST

The bank’s performance under the Lending Test in New York is rated Satisfactory

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

Distribution of Loans by Income Level of the Geography

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

Home Mortgage Loans

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

PCNB's performance for geographic distribution of loans during the overall evaluation period is reasonable. In order to assess the geographic distribution of home mortgage loans, we compared the percentage of home mortgage loans to the percentage of owner-occupied housing units in each of the four geographic income categories, with an emphasis on low- and moderate-income geographies. We also compared the bank's performance with other home mortgage lenders in the AA, which is reflected in the aggregate data. Our conclusion is based upon the geographic distribution of loans in the 2017-2018 review period.

PCNB's performance during the 2017-2018 review period was reasonable. There were no low-income geographies in the assessment area. The percentage of home mortgage loans originated in moderate-income geographies exceeded the percentage of owner-occupied housing units in moderate-income geographies. Additionally, the percentage of home mortgage loans originated in moderate-income geographies exceeded the percentage of home mortgage loans originated by other home mortgage lenders. Despite exceeding the demographics, we consider this performance reasonable based upon the small sample size that resulted from separating 2016 performance from 2017-2018 performance, which created a situation where a one loan difference would significantly skew the performance measures.

Distribution of Loans by Income Level of the Borrower

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

Home Mortgage Loans

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

PCNB's performance during the overall evaluation period is reasonable. We compared the percentage of home mortgage loans to the percentage of families in each of the four borrower income categories with an emphasis on low- and moderate-income families. We also compared the bank's performance against other home mortgage lenders in the AA as reflected in the aggregate data. Our conclusion is based upon the distribution of loans by income level of the borrower in the 2017-2018 review period.

Performance during the 2017-2018 review period was reasonable. The percentage of home mortgage loans originated to moderate-income families was consistent with the percentage of moderate-income families in the AA and the percentage of home mortgage loans originated by other lenders in the AA. PCNB did not originate any home mortgage loans to low-income families. This was substantially below the percentage of low-income families in the AA and below the percentage of home mortgage loans originated by other lenders in the AA. In arriving at our conclusion of reasonable performance, we considered four significant performance context factors. First, the impact of the bank's very low market share of the highly competitive home mortgage origination market makes it difficult to compete against larger financial institutions that offer a variety of products in an oversaturated market. Second, there are

limited opportunities to extend home mortgage loans to low- and moderate-income families due to the high cost of housing in the AA as evidenced by the low lending in aggregate to low-income families, 3.9 percent, when compared to 14.4 percent low-income families in the AA. Third, a material portion of the bank's home mortgage lending is to companies that purchase residential real estate for investment purposes. Finally, the small sample size that resulted from separating 2016 performance from 2017-2018 performance creates a situation where a one loan difference would significantly skew the performance measures.

Responses to Complaints

There were no complaints related to the CRA during the evaluation period.

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 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”.

Time Period Reviewed:	01/01/2016 to 12/31/2018	
Bank Products Reviewed:	Home mortgage	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None		
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
MSA(s)		
New York		
PCNB AA	Full-scope	

Appendix B: Summary of MMSA and State Ratings

RATINGS		THE PUTNAM COUNTY NATIONAL BANK OF CARMEL	
Overall Bank:		Lending Test Rating	
The Putnam County National Bank of Carmel		Satisfactory	
State:			
New York		Satisfactory	

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. 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

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 assessment area.
- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.
- Table S. Assessment Area Distribution of Loans to Farms by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-,

and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents aggregate peer data for the years the data is available. Because aggregate small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.

- Table T. Assessment Area Distribution of Loans to Farms by Gross Annual Revenues -** Compares the percentage distribution of the number of small loans (loans less than or equal to \$500 thousand) originated and purchased by the bank to farms with revenues of \$1 million or less to: 1) the percentage distribution of farms with revenues of greater than \$1 million; and, 2) the percentage distribution of farms for which revenues are not available. The table also presents aggregate peer small farm data for the years the data is available.
- Table U. Assessment Area Distribution of Consumer Loans by Income Category of the Geography -** Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households in those geographies.
- Table V. Assessment Area Distribution of Consumer Loans by Income Category of the Borrower -** Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of households by income level in each MMSA/assessment area.

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																2017-18		
Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% 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
PCNB AA	21	8,017	0.9	0.0	0.0	0.0	4.0	4.8	4.2	44.7	57.1	46.1	51.3	38.1	49.7	0.0	0.0	0.0
Total	21	8,017	0.9	0.0	0.0	0.0	4.0	4.8	4.2	44.7	57.1	46.1	51.3	38.1	49.7	0.0	0.0	0.0

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

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																2017-18		
Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
PCNB AA	21	8,017	0.9	14.5	0.0	3.9	15.4	14.3	15.4	20.6	9.5	25.6	49.6	66.7	46.3	0.0	18.5	8.9
Total	21	8,017	0.9	14.5	0.0	3.9	15.4	14.3	15.4	20.6	9.5	25.6	49.6	66.7	46.3	0.0	18.5	8.9

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