



## **PUBLIC DISCLOSURE**

June 6, 2022

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

Valley National Bank  
Charter Number: 15790

615 Main Avenue  
Passaic, NJ 07055

Office of the Comptroller of the Currency  
Assistant Deputy Comptroller – Midsize and Trust Bank Supervision  
400 7th St. SW, Suite 3E-218  
Mail Stop 10E-8E-11  
Washington, DC 20219

**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 **Outstanding**.

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

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

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

The major factors that support this rating include:

- The Lending Test rating is based on excellent Lending Test ratings in the New York-New Jersey MMSA (NY-NJ MMSA) and the state of Florida. Community development (CD) lending had a significantly positive impact on the Lending Test rating in the NY-NJ MMSA and the state of Florida. VNB's overall lending was responsive to community needs that arose due to the Covid-19 pandemic in 2020.
- The Investment Test rating is based on excellent performance in the NY-NJ MMSA, the state of Florida, and state of New Jersey. CD investments were responsive to affordable housing needs in the bank's rating areas.
- The Service Test rating is based on service delivery systems that were reasonably accessible to geographies and individuals of different income levels in the NY-NJ MMSA, state of Alabama, and state of New Jersey.

## Product Innovation and Flexibility

The bank makes extensive use of innovative and/or flexible lending practices in order to serve assessment area (AA) credit needs of both consumers and small business owners. Programs offered throughout the bank's multi-state geographic footprint are described below. See the Product Innovation and Flexibility in the Lending Test section of the respective rating areas for details regarding usage and impact on ratings.

### Community Advantage Home Mortgage

VNB developed a residential mortgage product in conjunction with New Jersey Citizen Action and Association for Neighborhood and Housing Development organizations for LMI borrowers and applicants with mortgages in LMI geographies. The program has flexibility for first-time homebuyer

needs by assisting on eligible co-op loans and assures deed restrictions as required for some down payment assistance programs. Features of the program include three percent down payment, no private mortgage insurance (PMI) requirements, and a reduced interest rate on fixed payments. Homebuyer counseling and post purchase counseling are required from VNB's authorized housing counseling agency. During the evaluation period, VNB originated 813 loans totaling \$197.5 million.

#### Community Advantage Plus

This program is designed for first-time home mortgage homebuyers purchasing a home in LMI census tracts (CT). The program is designed for first-time homebuyers that cannot access traditional first-time homebuyer programs that are limited to 80 percent area median income (AMI). Features of the program include five percent down payment, no PMI requirement, and reduced interest rates on fixed payments. Homebuyer counseling from VNB's authorized housing counseling agency is required. During the evaluation period, VNB originated 336 loans totaling \$130.1 million.

#### Community Advantage Refinance

This is a home mortgage refinance program designed for homeowners to have the ability to refinance their home when there is insufficient equity to qualify for most bank refinance programs. This program provides the homeowner the ability to refinance up to 95 percent of the home's loan to value (LTV) for current VNB mortgage customers or 90 percent LTV for other lenders with no cash out. During the evaluation period, VNB originated 39 loans totaling \$8.2 million.

#### Community Land Trusts and Deed Restrictions

VNB extends mortgage loans on deed restricted properties and community land trusts. During the evaluation period, VNB granted 11 loans totaling \$1.8 million.

#### Co-Op Transactions

VNB provides access to co-op mortgage loans through a variety of mortgage products. This type of financing involves more complex legal structures. During the evaluation period, VNB originated 284 transactions totaling approximately \$86.0 million.

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

Funds for this program are awarded to its members who submit applications on behalf of project sponsors who are planning to purchase, rehabilitate, or construct affordable homes or apartments. Requirements of the program include affordable rental housing with at least 20 percent of the project's occupants earning 50 percent or less of the AMI and owner-occupied housing. Households earning 80 percent or less of the AMI are required for application and long-term project monitoring. During the evaluation period, there were 540 affordable housing program (AHP) units totaling \$8.2 million that earned AHP subsidies through VNB's efforts.

#### FHLB of NY Small Business Recovery Grant Program (SBRG)

The SBRG program provides flexible funds to benefit small-businesses and non-profits in the FHLB NY members' communities in New York and New Jersey. VNB staff reached out to area nonprofits informing them of the opportunities and assisting them through the application process. During the evaluation period, VNB assisted with 35 loans totaling \$282,500.

#### Federal Housing Administration (FHA) Home Mortgage

The primary function of the FHA is to insure home mortgage loans made by banks and other private lenders. The program has heightened administration requirements. The program is 15 and 30-year fixed-rate mortgages where homebuyer income is limited, and homeownership education is required. During the evaluation period, VNB originated 365 loans totaling \$107.6 million.

#### Habitat for Humanity Loan Servicing

VNB supports Habitat affiliates by servicing Habitat loans made with other financial institutions for five New Jersey Habitats. During the evaluation period, VNB serviced 195 loans totaling \$16.9 million.

#### HMFA: Police and Firemen

This is a 15 or 30-year fixed-rate home mortgage program for home purchases only for members of New Jersey's Police and Fireman's Retirement system in New Jersey. VNB navigates applications through NJ HMFA for final approval. The program has property size restrictions, and one unit of the two-family homes must be available for occupancy. During the evaluation period, VNB originated 32 loans totaling \$12.2 million.

#### Homebuyer Dream Program (HDP)

This home mortgage loan program is offered through the FHLB of NY. The program was launched in 2020 and provides down payment assistance for first-time homebuyers purchasing a home in NY or NJ. VNB works closely with potential applicants to match down payment assistance programs. The down payment assistance ranges from \$6,500 - \$15,000 over three years, adjusting the amount each year based on feedback from stakeholders. During the evaluation period, VNB assisted 46 borrowers obtain subsidies totaling \$519,500. Borrowers can combine this program with a VNB's affordable mortgage.

#### Home One Mortgage

This is a Freddie Mac home mortgage loan program for 15, 20, and 30-year fixed-rate loans for purchase, rate, and term refinancing. At least one borrower on the loan must have a usable credit score and at least one borrower must be a first-time homebuyer and for long term stability, at least one borrower must participate in a homeownership education program. During the evaluation period, VNB originated five loans totaling \$1.4 million.

#### Home Possible Mortgage

This is a Federal Home Loan Mortgage Corporation, also known as Freddie Mac, homeowner's home mortgage loan program with 15, 20, and 30-year fixed-rate terms for purchase, rate and term refinancing. Homebuyers must meet county income limits, and homebuyer counseling is required for first-time homebuyers. During the evaluation period, VNB originated 22 loans totaling \$5.1 million.

#### HomeReady™ Fixed Rate Mortgage

This program is designed for home mortgage loans for homebuyers to have access to one of Fannie Mae's innovative mortgage solutions. The program is for 10, 15, 20, or 30-year mortgages. Homebuyers must meet Federal National Mortgage Association (FNMA) county income limits and complete homeownership education. Non-occupied co-borrowers are permitted, and income is considered as part of qualifying income. During the evaluation period VNB originated 127 loans totaling \$25.4 million.

### Neighborhood LIFT Residential Down Payment Assistance Program

This program is provided through the New Jersey Community Capital's Neighborhood LIFT Residential Down Payment Assistance Program, which provides eligible homebuyers in Essex County with \$20,000 in down payment assistance on qualified properties or \$22,500 for veterans and service members, teachers, law enforcement officers, firefighters, and emergency medical technicians. In 2020, VNB closed over 60 first time homebuyer mortgage loans of over \$9 million for borrowers that received over \$1.2 million in subsidies through this program.

### PPP Loans

Paycheck Protection Program (PPP) provided economic relief to small businesses that had been impacted by the Covid-19 pandemic and subsequent business shut-downs. In total, VNB originated over 19,000 PPP loans totaling approximately \$3.2 billion. According to bank provided data, 17.0 percent of the PPP loan originations were in an LMI CT.

### Small Business Administration 7(a) Loans

VNB is a preferred Small Business Administration (SBA) lender managing complex loan programs to provide financial assistance for businesses with special requirements. During the evaluation period, VNB originated 99 loans totaling \$76.8 million.

### SONYMA Achieving the Dream and Low Interest Rate Program

This 20, 25, or 30-year fixed-rate home mortgage loan program is for qualified first-time homebuyers and eligible military veterans in New York State. The program waives first-time homebuyer requirements and also waives certain requirements if the property is located in a Federally Designated Target Area. The program provides up to 97 percent financing and down payment assistance for first-time homebuyers and eligible veterans. Homebuyers must meet 80 percent of SONYMA's AMI and there are purchase price limits. Lastly, homebuyer counseling is required. During the evaluation period, VNB originated nine loans totaling \$3.7 million.

### U.S. Department of Agriculture (USDA)

This home mortgage program is designed for LMI borrowers in rural areas and applicable USDA designated areas in NJ, FL, downstate NY, and eastern Pennsylvania. Program affordability includes 100 percent LTV and fixed payments. During the evaluation period, VNB originated seven loans totaling \$1.4 million.

### Veteran Administration Home Loans

This home mortgage loan program is for military veterans or National Guard eligible veterans, service members, and surviving spouses. The program is a 30-year fixed-rate mortgage, no PMI and low down payment options. During the evaluation period, VNB originated 82 loans totaling \$27.8 million.

### **Outside of AA – Lending and Investments**

- Innovative and Flexible lending, not included in the bank's AA, totaled \$75.4 million.
- The bank made 73 CD loans totaling \$368.6 million that benefitted a statewide area not included in the bank's AA.
- The bank made 90 CD investments totaling \$55.8 million that benefitted a statewide area not included in the bank's AA.

## Lending in Assessment Area

A good percentage of the bank's loans are in its AA.

The bank originated and purchased 77.7 percent of its total loans inside the bank's AAs during the evaluation period. This analysis is performed at the bank, rather than the AA level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria.

Lending Inside and Outside of the Assessment Area: 2019-2021										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	15,072	78.0	4,247	22.0	19,319	7,848,290	76.0	2,472,141	24.0	10,320,431
Small Business	28,011	77.5	8,118	22.5	36,129	3,126,910	79.8	789,434	20.2	3,916,344
Total	43,083	77.7	12,365	22.3	55,448	10,975,200	77.1	3,261,575	22.9	14,236,775

We considered the overall bank lending in the AA in the geographic distribution of lending. Lending Inside and Outside the AA had a neutral impact on geographical distribution of loan ratings throughout the rating areas.

## Description of Institution

VNB is a multistate, national bank headquartered in Passaic, New Jersey. VNB is a wholly-owned subsidiary of Valley National Bancorp (VNBC), headquartered in Wayne, New Jersey. In addition to VNB, VNBC owns six non-bank subsidiaries that include four trust companies, two located in Wayne, New Jersey and two in Jericho, New York, one advisory firm located in Phoenix, Arizona, and a financial services company also located in Phoenix, Arizona.

As of December 31, 2021, VNBC reported total assets of \$43.4 billion. VNB reported eight subsidiaries as of December 31, 2021, which include, but are not limited to: an investment company, a capital management company, a capital corporation, a title and settlement agency, a commercial capital limited liability corporation, an insurance services company, a securities limited liability corporation, and a limited liability lending company.

VNB continues to experience growth through mergers and acquisitions. During the evaluation period, there were three acquisitions, which included two banks and an investment advisory firm. VNB bank acquisitions consisted of Oritani Bank (Oritani) and The Westchester Bank (Westchester). Effective December 1, 2019, Oritani Bank was merged into VNB. As of September 30, 2019, Oritani had approximately \$4.0 billion in assets, \$3.4 billion in net loans, \$2.9 billion in deposits, and 26 branches. The acquisition added to VNB's New Jersey franchise and enhanced its presence in the Bergen County market. The acquisition of Westchester, headquartered in White Plains, New York, closed on December 1, 2021. At the time of the acquisition, Westchester had approximately \$1.3 billion in assets, \$0.9 billion in loans, total deposits of \$1.1 billion, and seven branches located in Westchester County. The acquisition of Arizona-based Dudley Ventures, LLC was effective October 13, 2021. Dudley Ventures is an advisory firm specializing in investment and management of tax credits. The firm and its affiliates

have invested over \$2 billion in tax credit transactions over the past 20 years. Dudley Ventures provides advisory, structuring, syndication, and placement of federal and state tax credit funds. Additionally, the firm's staff provides support services, including financial reporting and asset management requirements.

As of December 31, 2021, VNB had 232 full-service branches and 262 automated teller machines (ATMs). 44 branches, or approximately 18 percent of the bank's branches are located in LMI communities and 47 or approximately 18 percent of the bank's ATMs are located in LMI communities. Branches are located across New Jersey, New York, Florida, and Alabama. VNB also participates in the Allpoint access network with over 55,000 ATMs, including at major retailers such as Walgreens and Target and with locations outside of the United States including Canada, Mexico, and Puerto Rico. The merger and acquisition activities resulted in openings, consolidations, and closures of branches. One branch was opened in Birmingham, Alabama, seven new branches in New York within the New York-Jersey City-White Plains MSA, and 26 branches in Northern New Jersey, within the New York-Jersey City-White Plains, MSA. 13 of the 26 Oritani branches were consolidated/relocated within VNB branches.

As of December 31, 2021, VNB had \$43.4 billion in assets, net loans and leases of \$33.9 billion, total deposits of \$35.7 billion, and Tier 1 capital of \$4.3 billion. The bank's loan portfolio consisted of 73.5 percent real estate, 17.0 percent commercial and industrial loans, and 9.5 percent in other loans.

VNB continues to offer commercial and retail products and services, insurance, and wealth management financial services products, including a variety of products and services to first-time homebuyers and small business owners. To strengthen and support its communities, VNB has neighborhood-based strategies as well as develops and offers products targeted to LMI families and small businesses. VNB also provides a variety of banking services including ATMs, telephone and internet banking, remote deposit capture, Zelle, online account opening, drive-in and night deposit services, and safe deposit facilities. In addition, certain international banking services are available to customers including standby letters of credit, documentary letters of credit and related products, and certain ancillary services such as foreign exchange transactions, documentary collections, foreign wire transfers, and transaction accounts for non-resident aliens.

During the pandemic, to navigate the residential mortgage challenges impacting LMI households and/or LMI geographies, marketing materials were developed and circulated within the LMI markets promoting VNB's community loan products. For business owners, VNB offered loan deferrals and worked with federal, state, and local governmental authorities to identify businesses that qualified for grants, or low-interest loans, and PPP loans.

VNB continues to maintain regional community advisory committees in AL, NJ, NY, and FL to assist the bank in enhancing its effectiveness in reaching LMI individuals and geographies, and promoting economic development, community service, and affordable housing opportunities in the markets it serves. The advisory committees assist the bank in identifying community needs and opportunities.

There were no known legal, financial, or other factors impeding the bank's ability to help meet the credit needs of its AAs. The bank received an "Outstanding" rating in its previous CRA evaluation dated May 20, 2019.



## Scope of the Evaluation

### Evaluation Period/Products Evaluated

VNB's evaluation period is January 1, 2019 through December 31, 2021. We used this evaluation period to conduct analysis and form conclusions for the entirety of all performance tests associated with this evaluation. For the HMDA analysis and conclusions, for lending activity, geographical distribution, and borrower distribution we consolidated the bank's home purchase, home refinance, home improvement, and multifamily loans. We concluded on all home mortgage and small loans to businesses that met the definition of a primary loan product in the bank's respective AAs. To be considered a primary loan product there must have been at least 20 loan originations for a specific loan product within a respective AA throughout the evaluation period. The bank did not originate any small farm loans throughout the evaluation period; therefore, they were not part of the analysis or considered in rating conclusions.

### Selection of Areas for Full-Scope Review

In each state where the bank has an office, one or more AA(s) within that state were selected for a full-scope review. For purposes of this evaluation, bank delineated AAs 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 section for details regarding how full-scope AAs were selected. Refer to Appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

### Ratings

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

When determining the overall rating conclusions, we gave the most weight to New York-New Jersey MMSA (NY-NJ MMSA). We gave the most weight to the NY-NJ MMSA due to the following factors: accounts for 73.0 percent of bank wide deposits, 74.0 percent of HMDA originations within its AAs, 67.2 percent of HMDA loan volume within its AAs, 65.7 percent of small business loan originations within its AAs, 62.6 percent of small business loan volume within its AAs, and 74.1 percent of the bank's retail branches.

For the Lending Test Geographic and Borrower Distribution conclusions, unless otherwise indicated in the scope of evaluation for a respective rating area, we gave equal weight to performance in HMDA and small business loans. We considered loan origination numbers and loan volumes as factors. Within the bank's AAs, HMDA loan originations account for 35.0 percent of loan originations and 71.5 percent of loan volume. Small business loans account for 65.0 percent of loan originations and 28.5 percent of loan volume.

All calculations in this report that reference "allocated tier 1 capital," used the date of December 31, 2021 as the point of reference for tier 1 capital. When determining ratings for CD loans and CD investments quantitative impact, we considered the fact the bank's tier 1 capital has increased considerably throughout the evaluation period, due partly to bank acquisitions, including in the fourth

quarter of 2021. The bank's tier 1 capital has increased approximately 76.0 percent throughout the evaluation period.

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

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

Pursuant to 12 C.F.R. §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 Consumer Financial Protection Bureau, as applicable.

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

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

## **Multistate Metropolitan Statistical Area Rating**

### **New York – New Jersey MMSA**

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

**The Lending Test is rated: Outstanding**

**The Investment Test is rated: Outstanding**

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

The major factors that support this rating include:

- Lending levels reflect excellent responsiveness to AA credit needs;
- The geographic distribution of loans was adequate and the borrower distribution of loans was good;
- CD lending had a significantly positive impact on the Lending Test rating;
- The bank made extensive use of innovative and flexible loan products to benefit LMI borrowers;
- The institution has an excellent level of qualified CD investments and grants;
- The institution exhibits excellent responsiveness to credit and community economic development needs; and
- Service delivery systems were reasonably accessible geographies and individuals of different income levels.

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

The New York-New Jersey MMSA represents VNB's largest rating area out of four rating areas in terms of deposits, loans, and branches. As of December 31, 2021, the bank delineated four AAs comprised of four metropolitan divisions (MDs), which we combined for analysis as the NY-NJ MMSA. These AAs include New York-Jersey City-White Plains, NY-NJ MD consisting of the counties of New York, Queens, and Kings in NY and Passaic, Hudson, and Bergen in NJ; Newark-Union, NJ-PA MD comprised of Essex, Morris, Sussex, and Union counties in NJ; New Brunswick-Lakewood, NJ MD consisting of Middlesex, Monmouth, and Somerset counties in NJ; and Nassau County-Suffolk County, NY MD in its entirety. The AAs meet the requirements of the regulation and do not arbitrarily exclude any LMI CTs. VNB offers a full range of loan and deposit products and services through the 172 full-service branches and 171 deposit-taking ATMs located in the AA.

According to the June 30, 2021 FDIC Market Share Report, VNB held \$24.4 billion in deposits in the MMSA, representing 73.0 percent of total bank-wide deposits. The bank is ranked 16<sup>th</sup> out of 167 depository institutions in the MMSA with a 1.0 percent market share. There is strong competition for deposits, the top five depository institutions in the AA by market share of deposits are JPMorgan Chase

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<sup>1</sup> This rating reflects performance within the multistate metropolitan statistical area.

(33.5 percent), Goldman Sachs (8.0 percent), Bank of America (7.1 percent), The Bank of New York Mellon (6.9 percent), and Citibank (5.2 percent). These competitors have deposits totaling \$1.6 trillion, representing 60.7 percent of total deposit market share.

During the evaluation period, VNB originated 11,155 home mortgage and 18,415 small business loans in the AA, representing 74.0 percent and 65.7 percent of its home mortgage and small business loans within the bank's AAs, respectively. Volume of home mortgage and small business loans in this AA accounted for 73.6 percent and 62.6 percent of VNB's loan volume within its AAs, respectively.

LMI borrowers will be challenged with home affordability in the NY-NJ MMSA. Based on the 2015 ACS, 26.7 percent of families in the MMSA are low-income and 15.4 percent are moderate-income. There are 6.0 million housing units in the MMSA, with 46.1 percent being owner-occupied, 44.9 percent being rental units, and 9.0 percent being vacant. The median housing value was \$512,085 in the MMSA. Per the Federal Reserve Economic Data (FRED) maintained by the Federal Reserve Bank of St. Louis, the median home listing price in the NY-NJ MMSA was \$520,000 in January 2019 and increased to \$664,000 by December 2021. Housing prices in the NY-NJ MMSA have risen sharply since the beginning of 2020 and significantly outpaced wage growth over the evaluation period. Key drivers include low interest rates, surging demand, and limited housing inventory. The median listing price would increase the principal and interest payment for a 30-year mortgage with no down payment and a fixed 5.0 percent interest rate from \$2,792 in January 2019 to \$3,565 in December 2021. The mortgage payment is significantly higher than the median rent in the MMSA of \$1,372 per month. Based on the information in Table A, low-income families earn between \$33,780 and \$45,285, and moderate-income families earn between \$54,048 and \$72,456. Using the threshold of 30.0 percent of income for housing affordability, a low-income individual could afford a maximum monthly payment of \$1,132 without including additional expenses or real estate taxes, and a moderate-income individual could afford a maximum monthly payment of \$1,811. When including these additional expenses, it becomes even more difficult for LMI individuals to afford a mortgage within this AA.

The poverty level across the MMSA was considered in the evaluation of lending performance. Families living below the poverty level are identified as having difficulty meeting basic financial needs and, as such, are less likely to have the financial wherewithal to qualify for a home loan than those with income above the poverty level. The 2020 national poverty rate was 11.4 percent, compared to the MMSA's poverty rate of 12.6 percent.

The Moody's Analytics report for the NY-NJ MMSA shows that the economy has entered a recovery phase following the recession from the COVID-19 pandemic, though at a much slower pace than the rest of the U.S. Unemployment was low and declining in 2018 and 2019 at 4.0 percent and 3.6 percent, respectively. In 2020, unemployment rose to 11.2 percent due to the COVID-19 recession and remained high for several months before rebounding to 5.5 percent as of December 31, 2021. The MMSA's unemployment rate remains above the national average of 3.9 percent. Key economic drivers for the area are its medical centers and being a prominent financial center and tourist destination. Two of the three were heavily impacted by the pandemic. The population has been declining for the last five years. The FHA house price index has increased from 241.6 in 2016 to 303.9 in 2021. The substantial increase contributes to the lack of housing affordability for low-income borrowers. The top five employers for the area are Montefiore Health System, Mount Sinai Health System, JPMorgan Chase, Bank of America, and New York-Presbyterian Healthcare System.

We utilized seven community contacts in the NY-NJ MMSA that primarily represented affordable housing and community services organizations. Needs identified include affordable rental housing that are safe, up to code, and adequately maintained; economic integration to ensure low-income individuals have opportunities to live in mixed-income and higher-income neighborhoods; homeownership counseling; more flexible financing to support renovations and tenant improvements to a community space; and branch services and ATM access in the northwest portion of Bronx County. One contact noted there is specific need for smaller commercial affordable housing loans for around \$500,000 because commercial loan departments at most banks tend to focus on larger loans. Needs for small businesses include financial education and networking, grants, low interest loans, and an easier application process for smaller businesses that lack the skills to apply for loans successfully.

Table A – Demographic Information of the Assessment Area						
Assessment Area: NY-NJ MMSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	3,839	8.7	20.9	34.9	33.4	2.1
Population by Geography	16,220,292	9.0	22.1	33.7	34.9	0.2
Housing Units by Geography	6,385,992	8.6	21.0	32.9	37.4	0.2
Owner-Occupied Units by Geography	2,981,186	2.4	12.5	38.2	46.8	0.1
Occupied Rental Units by Geography	2,833,925	14.8	29.7	27.7	27.6	0.3
Vacant Units by Geography	570,881	9.9	22.5	30.6	36.8	0.3
Businesses by Geography	2,206,336	6.3	16.7	30.4	45.3	1.2
Farms by Geography	25,478	3.8	15.0	35.1	45.6	0.4
Family Distribution by Income Level	3,815,115	24.1	15.4	17.3	43.2	0.0
Household Distribution by Income Level	5,815,111	26.2	14.1	15.9	43.9	0.0
Median Family Income MSA - 35004 Nassau County-Suffolk County, NY		\$108,193	Median Housing Value			\$489,917
Median Family Income MSA - 35084 Newark, NJ-PA		\$90,570	Median Gross Rent			\$1,381
Median Family Income MSA - 35154 New Brunswick-Lakewood, NJ		\$95,564	Families Below Poverty Level			10.3%
Median Family Income MSA - 35614 New York-Jersey City-White Plains, NY-NJ		\$67,560				
Source: 2015 ACS and 2021 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 NY-NJ MMSA

The NY-NJ MMSA was selected for full-scope procedures due to the fact it is the only AA within this rating area.

The rating is based on the results of the full-scope area. See appendix A for more information.

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

### LENDING TEST

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

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

### Lending Activity

Lending levels reflect excellent responsiveness to AA credit needs.

Number of Loans					
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total
NY-NJ MMSA	11,155	18,415	0	206	29,776

Dollar Volume of Loans (000's)					
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total
NY-NJ MMSA	5,780,222	1,956,752	0	684,581	8,421,555

According to the June 30, 2021 FDIC Summary of Deposit Report, VNB had \$24.4 billion in deposits in the NY-NJ MMSA. VNB had a 1.0 percent deposit market share and ranked 16<sup>th</sup> out of 167 deposit taking institutions in the AA. The bank's deposit market share ranked in the top 9.6 percent.

According to 2020 peer mortgage data, VNB had a 0.9 percent market share of home mortgage originations. VNB's market share of home mortgage originations was near to its deposit market share. VNB's mortgage originations ranked 27<sup>th</sup> out of 794 home mortgage lenders. VNB's market share of home mortgage loan originations ranked in the top 3.4 percent of all home mortgage lenders. VNB's market share ranking of home mortgage loan originations was stronger than its deposit market share ranking.

According to 2020 peer small business data, VNB had a 1.6 percent market share of small business loan originations. VNB's market share of small business loan originations exceeded its deposit market share. VNB's market share of small business loan originations ranked 12<sup>th</sup> out of 439 small business loan lenders. The bank's market share ranking of small business loan originations ranked in the top 2.7 percent of all small business loan lenders. The bank's market share ranking of small business loan originations was stronger than its deposit market share ranking.

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

The bank exhibits an adequate geographic distribution of loans in its AA.

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

Refer to Table O in the NY-NJ MMSA section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The geographic distribution of home mortgage loans is excellent. The proportion of home mortgage loans in low-income geographies exceeded the percentage of owner-occupied housing and approximates the aggregate industry distribution of home mortgage loans in those geographies. The proportion of home mortgage loans in moderate-income geographies is somewhat below the percentage of owner-occupied housing and is near to the aggregate industry distribution of home mortgage loans to those geographies.

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

Refer to Table Q in the NY-NJ MMSA section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

The geographic distribution of small loans to business is adequate. The proportion of bank small loans to businesses in low-income geographies is somewhat below the percentage of businesses and near to the aggregate industry distribution of small loans to businesses in those geographies. The proportion of bank small loans to businesses in moderate-income geographies is below the percentage of businesses and the aggregate industry distribution of small loans to businesses in those geographies.

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

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

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

The bank exhibits a good distribution of loans among individuals of different income levels and businesses of different sizes.

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

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

The borrower distribution of home mortgage loans is excellent. When determining our ratings we considered the relatively high housing costs compared to LMI family income. The relatively high housing costs compared to LMI family income impacts LMI borrower's ability to qualify for a home mortgage. Therefore, greater significance was placed on performance compared to the aggregate distribution of home mortgage loans.

The proportion of home mortgage loans to low-income borrowers was significantly below the percentage of low-income families and exceeded the aggregate industry distribution of loans to those



borrowers. The proportion of loans to moderate-income borrowers substantially meets the percentage of moderate-income families and exceeded the aggregate industry distribution of home mortgage loans to those borrowers.

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

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

The borrower distribution of small loans to businesses is good. When determining our rating we considered the impact of PPP loans on the bank's ability to collect revenue information. Therefore, we placed more weight on the bank's aggregate performance when determining our conclusions.

The proportion of bank loans to businesses with revenues of \$1 million or less was well below the proportion of those businesses and exceeded the aggregate industry distribution of small loans to those businesses.

### **Community Development Lending**

The institution is a leader in making CD loans.

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

The volume of CD lending was excellent and had a significantly positive impact on the overall Lending Test rating in the NY-NJ MMSA. During the evaluation period, VNB originated 206 CD loans totaling \$684.6 million. The volume of CD loans is equivalent to 21.8 percent of allocated tier 1 capital. The bank's CD loans were responsive to community needs. The bank's CD loans were particularly responsive to community services and affordable housing.

- The bank extended a \$50.0 million line of credit to a CDFI. The CDFI invests in multifamily properties that provide affordable rents to majority LMI persons in the AA.
- The bank made a \$5.0 million participation loan in a workforce housing project via a CDFI. The project expects to add housing to the AA marketplace with a focus on affordability for LMI households and individuals.
- The bank originated a \$12.0 million loan to finance the purchase and renovation of group homes for developmentally disabled individuals. Approximately 95.0 percent of the recipients of care from these facilities will be considered low-income residents.

### **Product Innovation and Flexibility**

The institution makes extensive use of innovative and/or flexible lending practices in order to serve AA credit needs to both consumers and small business owners. Refer to the "Scope of the Evaluation" section for additional details regarding home mortgage and small business lending programs. During the evaluation period, VNB participated in the following programs:

- Community Advantage Home Mortgage - originated 45 loans totaling \$9.3 million;
- Community Advantage Plus – originated 92 loans totaling \$48.9 million;
- Community Advantage Refinance – originated one loan totaling \$104,400;
- Co-Op Transactions – originated 170 transactions totaling \$63.1 million;
- FHA Home Mortgage – originated 35 loans totaling \$14.4 million;
- FHLB NY SBRG – originated 18 loans totaling \$147,500;
- Habitat for Humanity Loan Servicing – serviced 58 loans totaling \$5.9 million;
- Homebuyer Dream – originated three loans totaling \$28,000;
- HMFA: Police and Firemen – originated 13 loans totaling \$5.3 million;
- Home Possible Mortgage – originated two loans totaling \$492,000;
- HomeReady™ Fixed Rate Mortgage – originated 11 loans totaling \$3.1 million;
- Home One Mortgage – originated one loan totaling \$281,300;
- SBA 7(a) – originated two loans totaling \$1.6 million;
- SONYMA Achieving the Dream and Low Interest Rate – originated one loan totaling \$692,000; and
- Veteran Administration Home Mortgage – originated two loans totaling \$1.1 million.

## INVESTMENT TEST

The institution's performance under the Investment Test in NY-NJ MMSA is rated Outstanding

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

The institution has an excellent level of qualified CD investments and grants, often in a leadership position, particularly those that are not routinely provided by private investors.

The institution exhibits excellent responsiveness to credit and community economic development needs. The institution makes extensive use of innovative and/or complex investments to support CD initiatives.

### Number and Amount of Qualified Investments

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
NY-NJ MMSA	63	80,955	609	180,399	672	100.0	261,354	100.0	0	0

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

VNB had 672 qualified CD investments and grants totaling \$261.4 million. CD investment and grant volume was equivalent to 8.3 percent of allocated tier 1 capital. During the evaluation period, the bank made 609 CD investments and grants totaling \$180.4 million. Additionally, the AA benefited from the ongoing impact of 63 prior period CD investments totaling \$81.0 million. VNB's CD investments were responsive to affordable housing and community services within the AA.

Examples of CD investments include:

- VNB invested \$25.2 million in MBS backed by multi-family loans to acquire a 67-unit apartment complex in Hoboken, NJ. All the units qualify for rental subsidy.
- VNB invested \$12.3 million in MBS backed by multi-family loans to refinance a 65-unit apartment complex in Brooklyn, NY. All the units qualify for rental subsidy.
- VNB donated approximately \$134,000 to a grassroots organization to support economic opportunities for LMI families and small businesses. Various projects promote economic empowerment and financial self-efficiency, affordable housing initiatives, housing and foreclosure counseling and education, financial coaching, and tax preparation.

## SERVICE TEST

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

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

### Retail Banking Services

Service delivery systems were reasonably accessible to geographies and individuals of different income levels in the institution's AA, particularly low- and moderate-income geographies and/or low- and moderate-income individuals.

Distribution of Branch Delivery System											
Assessment Area	Deposits	Branches						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)*				% of Population within Each Geography*			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
NY-NJ MMSA	100.0	172	100.0	2.3	15.1	28.5	53.5	11.1	24.6	26.0	38.0

\* Does not equal 100.0 due to N/A CTs.

VNB's distribution of branches in low-income geographies was well below and in moderate-income geographies was below the percentage of the population living within those geographies. Examiners further considered six middle- and upper-income branches that were located on CT boundaries adjacent to, and serving, low- and moderate- income geographies within the AA. The near to branches had a positive impact on the Service Test rating.

VNB had several alternative delivery systems including ATMs, telephone and internet banking, remote deposit capture, Zelle®, online account opening, drive-in and night deposit services, and safe deposit facilities. These systems provided additional delivery availability and access to banking services to both retail and business customers. The bank did not provide data regarding LMI persons usage of these products, therefore we did not give alternative delivery systems any weight in our Service Test conclusions. VNB had 171 deposit-taking ATMs in the AA, the distribution of which was consistent with the branch distributions.

Distribution of Branch Openings/Closings						
	Branch Openings/Closings					
Assessment Area	# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)			
			Low	Mod	Mid	Upp
NY-NJ MMSA	0	31	-2	-7	-11	-11

The institution's opening and closing of branches had not adversely affected the accessibility of its delivery systems, particularly in LMI geographies and/or to LMI individuals. VNB did not open any branches. They closed 31 branches during the evaluation period, two in low-income geographies and seven in moderate-income geographies. VNB's acquisition of Oritani Financial in 2019 created branch duplication within the NY-NJ MMSA. As a result, 16 branches were consolidated or relocated to another branch within a short distance. Only one of these consolidations was in a moderate-income geography. VNB also conducted an extensive branch transformation process. This resulted in the closures of 15 more branches, two of which were in low-income geographies and six in moderate-income geographies. Three moderate closures were the result of lease expirations or sale of the bank premises outside of the bank's control. One low and one moderate closure were due to older, sub-par facilities with no ATM, drive-up facilities, or onsite parking.

Services, including where appropriate, business hours, did not vary in a way that inconvenienced the various portions of its AA, particularly low- and moderate-income geographies and/or individuals. The majority of branches were open Monday through Friday from 9:00 am to 4:00 pm and on Saturday from 9:00 am to Noon. Most New York City branches were open until 5:00 pm Monday through Friday. Two branches were open from 9:00 am to Noon on Sundays instead of Saturdays.

## Community Development Services

The institution provided a significant level of CD services.

CD services were responsive in addressing community needs. Fifty-nine employees held leadership positions as board or committee members to 74 CD organizations in the AA, accounting for 5,036 hours during the evaluation period. Over 560 VNB employees were involved in 1,011 events that provided 4,215 hours of service to 85 CD organizations assisting over 56,804 participants, including 40,221 receiving distributions from food banks, during the evaluation period. The organizations focused on affordable housing; including home ownership education; economic development, including technical assistance to small businesses; and community services; including financial education and food bank distributions to LMI individuals.

Examples of qualified CD service activity in this AA include:

- A VNB vice-president provided 516 service hours as a board member of a community development corporation that provided assistance in securing permanent housing to the homeless population and

those at risk of homelessness. The organization focused on assisting veterans and the chronic homeless, including those with mental health and substance dependence issues.

- A VNB senior vice-president provided 300 service hours as a board member and a VNB associate vice-president provided 102 service hours as a committee member of a community development organization whose mission was to break the cycle of homelessness and poverty for Long Island Veterans and families. The organization focused on the underlying causes rather than merely treating symptoms, seeing education as the way out of poverty by targeting its services to educate and empower clients in both traditional education areas and others including financial literacy, careers, and life skills.
- A VNB vice-president provided 200 service hours as a board and committee member of a non-profit organization whose mission is to empower youth with an immersive classroom and mobile education in personal finance capability. The curriculum equips children with five tenets for a financially responsible and philanthropic life: learn, earn, save, invest, and donate. Low-income parents learn how to budget and contribute towards what they value and towards their own financial independence.

## State Rating

### State of Alabama

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

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

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

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

The major factors that support this rating include:

- Lending levels reflect good responsiveness to AA credit needs;
- The bank exhibits good geographical and borrower distribution of loans;
- The institution has a significant level of qualified CD investments and grants, limited-scope AAs had a positive impact on CD Investment Test; and
- Service delivery systems are reasonably accessible to geographies and individuals of different income levels.

### **Description of Institution's Operations in Alabama**

The state of Alabama represents VNB's third largest out of four rating areas, with over 4.0 percent of total bank deposits. As of December 31, 2021, the bank had four AAs within the state of Alabama. These AAs include the counties of Tallapoosa in the Alabama Non-MSA, Lee in the Auburn MSA, Jefferson Shelby and St. Clair in the Birmingham MSA, and Elmore and Montgomery in the Montgomery CSA. The AAs meet the requirements of the regulation and do not arbitrarily exclude any LMI CTs. VNB offers a full range of loan and deposit products and services through the 16 full-service branches and 16 deposit-taking ATMs.

According to the June 30, 2021, FDIC Deposit Market Share Report, VNB held \$1.3 billion in deposits, ranking 18<sup>th</sup> out of 139 institutions in the state, and representing 1.0 percent market share. The five largest competitors in the AA include Regions Bank, BBVA Compass Bank, Wells Fargo Bank, National Association, Servisfirst Bank, and Synovus Bank. These competitor deposits total \$77.2 billion, representing 54.6 percent of total deposit market share. VNB's deposits within the state of Alabama represent 4.0 percent of bank-wide deposits.

#### *Alabama Non-MSA*

The Alabama Non-MSA is comprised of Tallapoosa County. VNB maintains three full-service branches and three ATMs in the AA. The AA accounts for 1.0 percent of bank wide deposits and 24.8 percent of VNB's statewide deposits.

According to the June 2021 FDIC Deposit Market Share Report, VNB ranked one out of eight institutions in the AA, with a deposit market share of 42.4 percent. The five largest competitors in the

area include River Bank and Trust, Wells Fargo Bank, National Association, PNC Bank, National Association, CB&S Bank, Inc., and Regions Bank. These competitors have deposits totaling \$395.1 million, or 50.5 percent of the total deposit market share.

VNB's lending focus in the AA is on home mortgage and small business loans. Based on HMDA reported data, the bank originated or purchased 59 home mortgage loans, totaling \$7.8 million in the AA during the review period. This represented 0.4 percent of all home mortgage loans bank wide by number and 0.1 percent by dollar volume. The bank also originated or purchased 200 small business loans, totaling \$12.3 million in the AA during the evaluation period. This represented 0.7 percent of small business loans bank wide by number and 0.4 percent by dollar volume.

The 2015 ACS data shows that 22.0 percent of families in the AA are low-income and 15.6 percent of families in the AA are moderate-income. The median family income in the AA is \$45,454, meaning that low-income families made \$22,727 or less per year and moderate-income families made \$36,363 or less per year. The median housing value is \$122,434 and the median gross rent is \$583 per month. One method to determine housing affordability assumes a maximum affordable monthly principal and interest payment of no more than 30.0 percent of the applicant's income. The calculated maximum affordable monthly mortgage for low-income families is \$568 in the Alabama Non-MSA. Assuming a 30-year mortgage with a 5.0 percent interest rate, and not considering down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the MSA median housing value would be \$657. This shows that the housing in the AA is not affordable to low-income families and those below the poverty level.

The poverty level across the AA was considered in the evaluation of lending performance. Families living below the poverty level are identified as having difficulty meeting basic financial needs and, as such, are less likely to have the financial wherewithal to qualify for a home loan than those with income above the poverty level. The 2020 national poverty rate was 11.4 percent, compared to the poverty rate in the AA of 18.0 percent.

According to the Bureau of Labor Statistics, unemployment rates fluctuated during the review period due to the Covid-19 pandemic. As of December 31, 2021, the unemployment in the AA was 3.0 percent. Unemployment peaked during the Covid-19 pandemic at 17.6 percent in April 2020 and gradually declined throughout the rest of 2020 and 2021 as the local and national economy improved. The unemployment rate of 3.0 percent in the AA is favorable compared to the statewide average unemployment rate of 3.1 percent and the national unemployment rate of 3.6 percent.

We utilized two community contacts in this AA. The first was a community development center. The second community contact was an economic development center with a focus on attracting new businesses and retaining current businesses in the AA. These organizations indicated a need for small-dollar loans to start-up businesses, funding for community development projects, and housing for low to moderate income families.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Alabama Non-MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	10	0.0	20.0	50.0	30.0	0.0
Population by Geography	41,153	0.0	13.8	54.5	31.7	0.0
Housing Units by Geography	22,078	0.0	12.1	46.1	41.8	0.0
Owner-Occupied Units by Geography	11,649	0.0	11.3	51.4	37.3	0.0
Occupied Rental Units by Geography	4,674	0.0	19.0	57.0	24.0	0.0
Vacant Units by Geography	5,755	0.0	7.9	26.7	65.5	0.0
Businesses by Geography	2,461	0.0	14.2	58.6	27.2	0.0
Farms by Geography	108	0.0	9.3	53.7	37.0	0.0
Family Distribution by Income Level	11,466	22.0	15.6	16.9	45.5	0.0
Household Distribution by Income Level	16,323	23.1	14.8	15.4	46.7	0.0
Median Family Income Non-MSAs - AL		\$45,454	Median Housing Value			\$122,434
			Median Gross Rent			\$583
			Families Below Poverty Level			18.0%
Source: 2015 ACS and 2021 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.						

### Montgomery MSA

The Montgomery MSA is comprised of Elmore and Montgomery counties. VNB maintains six full-service branches and six ATMs. The AA accounts for 1.8 percent of bank wide deposits and 44.3 percent of VNB's statewide deposits in the state of Alabama.

According to the June 2021 FDIC Deposit Market Share Report, VNB ranked seventh out of 21 institutions in the AA, with a market share of 6.3 percent. The five largest competitors in the area include Regions Bank, Bbva Usa, Servisfirst Bank, Synovus Bank, and Wells Fargo Bank, National Association. These competitors have deposits totaling \$6.5 billion, which account for 69.2 percent of the total AA deposit market share.

VNB's lending focus in the AA is on home mortgage and small business loans. Based on HMDA reported data, the bank originated or purchased 98 home mortgage loans totaling \$17.5 million in the AA during the review period. This represented 0.7 percent of all home mortgage loans bank wide by number and 0.2 percent by dollar volume. The bank also originated or purchased 338 small business loans totaling \$30.5 million in the AA during the review period. This represented 1.2 percent of small business loans bank wide by number and 1.0 percent by dollar volume.

The 2015 ACS data shows that 25.3 percent of families in the AA are low-income and 15.7 percent of families in the AA are moderate-income. The median family income in the Montgomery CSA is \$59,161 meaning that low-income families made \$29,581 or less per year and moderate-income families made \$47,329 or less per year. The median housing value is \$135,402 and the median gross rent is \$805



per month. One method to determine housing affordability assumes a maximum affordable monthly principal and interest payment of no more than 30.0 percent of the applicant's income. The calculated maximum affordable monthly mortgage for low-income families is \$740 in the Montgomery MSA. Assuming a 30-year mortgage with a 5.0 percent interest rate, and not considering down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the MSA median housing value would be \$727. This shows that the housing in the AA is affordable.

The poverty level across the AA was considered in the evaluation of lending performance. Families living below the poverty level are identified as having difficulty meeting basic financial needs and, as such, are less likely to have the financial wherewithal to qualify for a home loan than those with income above the poverty level. The 2020 national poverty rate was 11.4 percent, compared to the AA poverty rate of 16.1 percent.

According to the Bureau of Labor Statistics, unemployment rates fluctuated during the review period due to the Covid-19 pandemic. As of December 31, 2021, the unemployment in the AA was 2.9 percent. Unemployment peaked during the Covid-19 pandemic at 13.7 percent in April 2020 and gradually declined throughout the rest of 2020 and 2021 as the local and national economy improved. The unemployment rate of 3.2 percent in the AA is close to the statewide average unemployment rate of 3.1 percent and lower than the national unemployment rate of 3.6 percent. Moody's Analytics reporting shows that the leading industries in the area are state government, local government, restaurants, federal government, and motor vehicle parts manufacturing. The largest employers in the area include Maxwell-Gunter Air Force Base, Baptist Health, Hyundai Motor Manufacturing, Alfa Insurance Co., and MOBIS North America LLC.

We utilized two community contacts in this AA. The first was a community action group focused on combating poverty and advocating for low-income families in the AA. The second community contact was an economic development commission whose purpose is economic, business, and community development in the AA. These organizations indicated a need for bank sponsored financial literacy programs and a need for affordable housing to allow for more homeownership opportunities in the community.

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Montgomery MSA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	80	13.8	23.8	32.5	28.7	1.3
Population by Geography	308,901	11.0	21.4	36.6	30.8	0.2
Housing Units by Geography	136,210	11.1	22.8	36.4	29.4	0.2
Owner-Occupied Units by Geography	74,459	7.4	17.9	37.8	36.8	0.0
Occupied Rental Units by Geography	43,724	15.0	29.1	35.8	19.7	0.4
Vacant Units by Geography	18,027	17.0	27.9	32.1	22.6	0.4
Businesses by Geography	22,385	8.0	17.4	36.5	33.6	4.5
Farms by Geography	578	4.7	14.0	44.3	36.3	0.7
Family Distribution by Income Level	77,498	25.3	15.7	17.9	41.0	0.0

Household Distribution by Income Level	118,183	25.5	15.1	16.9	42.5	0.0
Median Family Income MSA - 33860 Montgomery, AL MSA		\$59,161	Median Housing Value			\$135,402
			Median Gross Rent			\$805
			Families Below Poverty Level			16.1%
Source: 2015 ACS and 2021 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 Alabama

We are conducting full-scope reviews of the Alabama Non-MSA and Montgomery MSA, all other AAs will receive limited-scope reviews (refer to appendix A for a list of all AAs). Combined the full-scope AAs account for 69.1 percent of bank's deposits in the state of Alabama. For the full scope areas, regarding all performance tests, we gave slightly more weight to VNB's performance in the Montgomery MSA. We gave more weight to the Montgomery MSA due to it having a larger percentage of statewide deposits and loans.

Within the state of Alabama, for the Lending Test, we gave more weight to performance in small business lending as compared to HMDA lending. We gave more weight to performance in small business lending due to the fact that the majority of loan originations and loan volume were small business loans. Small business lending accounted for 75.8 percent of loan originations and 56.8 percent of loan volume within VNB's AAs in Alabama.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN ALABAMA

### LENDING TEST

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

### Conclusions for Areas Receiving Full-Scope Reviews

Based on a full-scope review, the bank's performance in the Alabama Non-MSA and Montgomery MSA is good.

## Lending Activity

Lending levels reflect good responsiveness to AA credit needs.

Number of Loans*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State Loans	%State Deposits
Alabama Non-MSA	59	200	0	1	260	21.1	24.8
Auburn MSA	43	41	0	1	85	6.9	5.0
Birmingham MSA	96	349	0	3	448	36.2	25.9
Montgomery MSA	98	338	0	6	442	35.8	44.3

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

Dollar Volume of Loans* (000's)							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State* Loans	%State Deposits
Alabama Non-MSA	7,756	12,276	0	2,000	22,032	14.0	24.8
Auburn MSA	10,203	3,662	0	3,346	17,211	10.9	5.0
Birmingham MSA	23,013	30,325	0	7,103	60,441	38.3	25.9
Montgomery MSA	17,466	30,520	0	10,128	58,114	36.8	44.3

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

### Alabama Non-MSA

Lending levels exhibited good responsiveness at AA credit needs.

According to the June 30, 2021 FDIC Summary of Deposit Report, VNB had \$331.6 million in deposits in the Alabama Non-MSA. VNB had a 42.4 percent deposit market share. VNB's deposit market share ranked first out of eight deposit taking institutions. The bank's deposit market share ranking was in the top 12.5 percent in the AA.

According to 2020 peer mortgage data, VNB had a 1.0 percent market share of home mortgage originations. VNB's market share of home mortgage loan originations was significantly below its deposit market share. VNB's market share of home mortgage loan originations ranked 27<sup>th</sup> out of 204 home mortgage lenders. The bank's market share ranking of home mortgage loan originations was in the top 13.2 percent of all home mortgage lenders. The bank's market share ranking of home mortgage loan originations was weaker than its deposit market share ranking.

According to 2020 peer small business data, VNB had a 21.1 percent market share of small business loan originations. VNB's market share of small business loan originations was below its deposit market share. VNB's small business loan originations ranked first out of 52 small business lenders. The bank's market share ranking of small business loan originations was in the top 1.9 percent of all small business lenders. The bank's market share ranking was stronger than its deposit market share ranking.

### Montgomery MSA

Lending levels exhibited good responsiveness to AA credit needs.

According to the June 30, 2021 FDIC Summary of Deposit Report, VNB had \$593.5 million in deposits in the Montgomery MSA. VNB had a 6.3 percent deposit market share in the AA. VNB's deposit market share ranked seventh out of 21 deposit taking institutions. The bank's deposit market share ranked in the top 33.3 percent in the AA.

According to 2020 peer mortgage data, VNB had a 0.3 percent market share of home loan originations. The bank's market share of home loan originations was significantly below its deposit market share. The bank's market share home mortgage loan originations ranked 56 out of 332 home mortgage lenders. The bank's market share of home mortgage loan originations ranked in the top 16.9 percent of all home mortgage lenders. The bank's market share ranking of home mortgage loan originations was stronger than its deposit market share ranking.

According to 2020 peer small business data, VNB had a 3.2 percent market share of small business loan originations. The bank's market share of small business loan originations was well below its deposit market share. VNB's market share of small business loan originations ranked 10<sup>th</sup> out of 105 small business loan lenders. VNB's market share of small business loans ranked in the top 9.5 percent of all small business loan lenders. The bank's market share ranking of small business loans was stronger than its deposit market share ranking.

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

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

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

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

### Alabama Non-MSA

When determining our rating for geographic distribution of home mortgage loans we considered the fact there are no low-income CT's in the Alabama Non-MSA. Therefore our conclusion for geographic distribution of home mortgage loans is based off of performance in moderate-income CTs.

The geographic distribution of home mortgage loans is good. The proportion of VNB's home mortgage loans to moderate-income CTs is below the percentage of owner-occupied housing and exceeded the aggregate industry distribution of home mortgage loans to those geographies.

Montgomery MSA

The geographic distribution of home mortgage loans is adequate. The proportion of VNB's home mortgage loans in low-income geographies is significantly below the percentage of owner-occupied housing and approximates the aggregate industry distribution of home mortgage loans to those geographies. The proportion of VNB's home mortgage loans in moderate-income geographies is significantly below the percentage of owner-occupied housing and exceeded the aggregate industry distribution of home mortgage loans to those geographies.

***Small Loans to Businesses***

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

Alabama Non-MSA

When determining our rating for geographic distribution of small loans to businesses we considered the fact there are no low-income CTs in the Alabama Non-MSA. Therefore our conclusion for geographical distribution of small loans to businesses is based off of performance in moderate-income CTs.

The geographic distribution of small loans to businesses is excellent. The proportion of VNB's small loans to businesses in moderate-income CTs exceeded the percentage of businesses and the aggregate industry distribution of small loans to businesses in those geographies.

Montgomery MSA

The geographic distribution of small loans to businesses is excellent. The proportion of VNB's small loans to businesses in LMI geographies exceeded the percentage of businesses and the aggregate industry distribution of small loans to businesses in those geographies.

***Lending Gap Analysis***

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

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

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

***Home Mortgage Loans***

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

*Alabama Non-MSA*

The borrower distribution of home mortgage loans is excellent. When determining our ratings, we considered the relative high housing costs compared to low-income family income. The relative high housing costs compared to low-income family income somewhat impacts a low-income borrowers ability to qualify for a home mortgage. Therefore for low-income borrowers, greater significance was placed on performance compared to the aggregate distribution of home mortgage loans.

The proportion of VNB's home mortgage loans to low-income borrowers was significantly below the percentage of low-income families and exceeded the aggregate industry distribution of home mortgage loans to those borrowers. The proportion of VNB's home mortgage loans to moderate-income borrowers substantially meets the percentage of moderate-income families and exceeded the aggregate industry distribution of home mortgage loans to those borrowers.

*Montgomery MSA*

The borrower distribution of home mortgage loans is excellent. The proportion of VNB's mortgage loans to low-income borrowers was significantly below the percentage of low-income families and exceeded the aggregate industry distribution of home mortgage loans to those borrowers. The proportion of VNB's home mortgage loans to moderate-income borrowers exceeded the percentage of moderate-income families and aggregate industry distribution of home mortgage loans to those borrowers.

***Small Loans to Businesses***

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

*Alabama Non-MSA*

The borrower distribution of small loans to businesses is good. When determining our rating we considered the impact of PPP loans on the bank's ability to collect revenue information. Therefore, we placed more weight on the bank's aggregate performance when determining our conclusions.

The proportion of VNB's small loans to businesses was significantly below the percentage of business with revenues of \$1 million or less and exceeded the aggregate industry distribution of loans to those borrowers.

*Montgomery MSA*

The borrower distribution of small loans to businesses is good. When determining our rating we considered the impact of PPP loans on the bank's ability to collect revenue information. Therefore, we placed more weight on the bank's aggregate performance when determining our conclusions.

The proportion of VNB's small loans to businesses was significantly below the percentage of business with revenues of \$1 million or less and exceeded the aggregate industry distribution of loans to those borrowers.

## Community Development Lending

The institution is a leader in making CD loans.

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

### Alabama Non-MSA

The volume of CD lending was adequate in the Alabama Non-MSA. During the evaluation period, VNB originated one CD loan totaling \$2.0 million or 4.7 percent of allocated tier 1 capital. The CD loan was responsive to revitalization and stabilization efforts in LMI areas.

An example of the bank's qualified CD lending activities in the AA include:

- VNB's participation in the PPP resulted in one CRA qualified SBA loans totaling \$2.0 million. The PPP loan was made to an employment and recruitment agency located in an LMI geography.

### Montgomery MSA

The level of CD lending was excellent and had a significantly positive impact on the Lending Test performance in the Montgomery MSA. During the evaluation period, VNB originated six CD loans totaling \$10.1 million or 13.2 percent of allocated tier 1 capital. The bank's CD lending helped support the development and retention of affordable housing, economic development, and revitalization and stabilization of LMI areas. By dollar volume, 44.4 percent funded affordable housing, 31.8 percent funded economic development, and 23.8 percent funded revitalization and stabilization efforts,

The following examples demonstrate the bank's use of complex and responsive CD loans in the AA:

- The bank originated a \$3.0 million credit facility to a non-profit organization located within the AA that provides permanent financing for LMI multifamily housing developments across the state. The loan will enable the agency to construct affordable housing units for LMI individuals and revitalize distressed and underserved neighborhoods.
- The bank originated a \$1.5 million line of credit to a real estate development company that builds multifamily affordable housing projects in moderate-income CTs within the AA.
- The bank originated a \$1.5 million loan to construct a grocery store/gas station in a rural community within the AA. The grocery store/gas station will provide grocery options and support new jobs.
- VNB's participation in the PPP resulted in two CRA qualified SBA loans totaling \$2.4 million. Both PPP loans were made to businesses located in a LMI geography.

Statewide

VNB originated one CD loan totaling \$2.5 million within the state of Alabama that was not in a VNB AA.

**Product Innovation and Flexibility**

Within Alabama, VNB makes limited use of innovative and/or flexible lending practices in order to serve AA credit needs to both consumers and small business owners. Refer to the “Scope of the Evaluation” section for additional details regarding home mortgage and small business lending programs. During the evaluation period, VNB participated in the following programs:

- Community Advantage Home Mortgage – originated 12 loans totaling \$2.1 million;
- Community Advantage Refinance – originated one loan totaling \$178,500;
- FHA Home Mortgage – originated nine loans totaling \$1.5 million;
- SBA 7(a) – originated nine loans totaling \$346,100
- USDA – originated one loan totaling \$65,000; and
- Veteran Administration Home Mortgage – originated four loans totaling \$2.3 million

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

Based on limited-scope reviews, the bank’s performance under the Lending Test in the Auburn MSA and Birmingham MSA is consistent with the bank’s overall performance under the Lending Test in the full-scope areas.

Refer to Tables O through R in the state of Alabama section of appendix D for the facts and data that support these conclusions.

**INVESTMENT TEST**

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

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

Based on full-scope reviews, the bank’s performance in the Alabama Non-MSA is poor. The bank’s performance in the Montgomery MSA is good.

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

The institution exhibits good responsiveness to credit and community economic development needs. The institution makes significant use of innovative and/or complex investments to support CD initiatives.



Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Alabama Non-MSA	0	0	20	204	20	17.9	204	1.3	0	0.0
Auburn MSA	3	1,829	9	1,329	12	10.7	3,158	19.9	0	0.0
Birmingham MSA	4	816	47	6,474	51	45.5	7,290	45.9	0	0.0
Montgomery MSA	4	247	25	4,979	29	25.9	5,226	32.9	0	0.0

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

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

### Alabama Non-MSA

During the evaluation period, VNB made 20 qualified CD investments and grants totaling \$204,000, which represented 0.5 percent of allocated tier 1 capital. VNB had no prior period CD investments and grants. VNB's CD investments were responsive to affordable housing and community services within the AA.

Examples of CD investments include:

- VNB invested \$142,000 in a CRA eligible MBS.
- VNB donated approximately \$28,000 to a municipal organization that provides a variety of resources to support small businesses including a program to encourage entrepreneurship to 8<sup>th</sup> grade students enrolled at a local middle school. Over 50.0 percent of students are eligible for free lunch.

### Montgomery MSA

VNB had 29 qualified CD investments and grants totaling \$5.2 million. CD investments and grants represented 6.8 percent of allocated tier 1 capital. During the evaluation period, the bank made 25 CD investments and grants totaling \$5.0 million. Additionally, the AA benefited from the ongoing impact of four prior period qualified investments totaling \$247,000. VNB's CD investments were responsive to affordable housing and community services within the AA.

Examples of CD investments include:

- VNB invested \$1.4 million in CRA eligible MBS backed by 45 single-family properties with underlying loans to majority LMI persons.
- VNB invested \$1.1 million in MBS where underlying loans were for 1-4 family residential loans for LMI borrowers.
- VNB donated approximately \$43,000 to a local, non-profit food bank, which serves over half the counties in the state. Twenty-five percent of residents within these counties live at or below the poverty level.

## Conclusions for Areas Receiving Limited-Scope Reviews

Based on the limited-scope review, the bank's performance under the Investment Test in the Auburn MSA and Birmingham MSA was stronger than the bank's full-scope performance. Stronger performance is due to higher levels of CD investments and grants as compared to allocated tier 1 capital. Limited-scope performance had a positive impact on the Investment Test.

## SERVICE TEST

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

## Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank's performance in the Alabama Non-MSA and Montgomery CSA was adequate.

## Retail Banking Services

Distribution of Branch Delivery System											
Assessment Area	Deposits	Branches						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)*				% of Population within Each Geography*			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Alabama Non-MSA	24.8	3	18.7	0.0	33.3	66.7	0.0	0.0	13.8	54.5	31.7
Auburn MSA	5.0	1	6.3	0.0	0.0	100.0	0.0	2.4	21.4	62.7	11.3
Birmingham MSA	25.9	6	37.5	0.0	16.7	33.3	50.0	10.0	20.9	30.8	37.7
Montgomery MSA*	44.3	6	37.5	0.0	0.0	16.7	66.7	11.0	21.4	36.6	30.8

\*Does not equal 100.0 due to N/A CTs

### Alabama Non-MSA

Service delivery systems are readily accessible to geographies and individuals of different income levels in the institution's AA. There are no low-income geographies within this AA. VNB's distribution of branches in moderate-income geographies exceeded the percentage of the population living within those geographies

VNB had several alternative delivery systems including ATMs, telephone and internet banking, remote deposit capture, Zelle®, online account opening, drive-in and night deposit services, and safe deposit facilities. These systems provided additional delivery availability and access to banking services to both retail and business customers. VNB did not have any deposit-taking ATMs in the AA. The bank offered innovative and flexible deposit products and retail services, such as the Valley Journey, Valley Milestone, Valley My Choice, and Valley Nonprofit Organization checking accounts, which were

effective in helping address community needs. The bank did not provide any data regarding LMI persons use of alternative delivery systems, therefore they were not given any weight in the Service Test conclusions.

### Montgomery CSA

Service delivery systems are unreasonably inaccessible to significant portions of the AA. VNB did not have any branches in low- or moderate-income geographies.

VNB had several alternative delivery systems including ATMs, telephone and internet banking, remote deposit capture, Zelle®, online account opening, drive-in and night deposit services, and safe deposit facilities. These systems provided additional delivery availability and access to banking services to both retail and business customers. VNB did not have any deposit-taking ATMs in low- or moderate-income geographies in the AA. The bank offered innovative and flexible deposit products and retail services, such as the Valley Journey, Valley Milestone, Valley My Choice, and Valley Nonprofit Organization checking accounts, which were effective in helping address community needs. The bank did not provide any data regarding LMI persons use of alternative delivery systems, therefore they were no given any weight in the Service Test conclusions.

Distribution of Branch Openings/Closings						
	Branch Openings/Closings					
Assessment Area	# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or - )			
			Low	Mod	Mid	Upp
Alabama Non-MSA	0	0				
Auburn MSA	0	0				
Birmingham MSA	1	0		+1		
Montgomery MSA	0	0				

### Alabama Non-MSA

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

Services, including where appropriate, business hours, did not vary in a way that inconveniences its AA, particularly low- and moderate-income geographies and/or individuals. All branches were open Monday through Thursday, 9:00 am to 4:00 pm and until 5:00 pm on Fridays. All branches had drive-up facilities that were open from 8:30 am to 5:00 pm, Monday through Friday, with one facility located in a moderate-income geography open on Saturdays from 8:30 am to Noon.

Montgomery CSA

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

Services, including where appropriate, business hours did not vary in a way that inconveniences its AA, particularly low- and moderate-income geographies and/or individuals. All branches were open Monday through Thursday, 9:00 am to 4:00 pm and until 5:00 pm on Fridays. All branches had drive-up facilities that were open from 8:30 am to 5:00 pm, Monday through Friday, with one facility located in an upper-income geography open on Saturdays from 8:30 am to Noon.

**Community Development Services**

The institution provided an adequate level of CD services.

Alabama Non-MSA

CD services were responsive in addressing community needs. Nine employees held leadership positions as board or committee members to 11 CD organizations in the AA, accounting for 606 hours during the evaluation period. Eight VNB employees were involved in 14 events that provided 83 hours of service to five CD organizations assisting 473 participants during the evaluation period. The organizations focused on affordable housing; including home ownership education; economic development, including technical assistance to small businesses; and community services, including financial education LMI individuals and students.

Examples of qualified CD service activity in this AA include:

- A VNB vice-president provided 195 service hours as a city school board member, the mission of which was to inspire hope and create pathways for student and community success. They provided an educational environment that promoted high levels of rigor, innovation, collaboration and high expectations for all. All schools in the district have a majority of students receiving free or reduced lunch.
- A VNB senior vice-president provided 72 service hours and a commercial loan officer provided 18 hours as board members, and a VNB vice-president provided 60 service hours as a committee member for the local chamber of commerce. The chamber provided resources to small business owners such as technical assistance, cohort working, space for startup entrepreneurs, and support program for students aspiring to be entrepreneurs. Additionally, the chamber uses a facility that was earlier donated by VNB.

Montgomery CSA

CD services were responsive in addressing community needs. Four employees held leadership positions as board or committee members to five CD organizations in the AA, accounting for 270 hours during the evaluation period. Over 38 VNB employees were involved in 38 events that provided 321 hours of service to seven CD organizations assisting 1,068 participants during the evaluation period. The organizations focused on economic development, including technical assistance to small businesses; and community services, including financial education to LMI students.

Examples of qualified CD service activity in this AA include:

- A VNB commercial lender provided 140 service hours as a board member of an organization that provided services to LMI individuals and families. Services provided included counseling, parenting education, marriage enrichment, mentoring, childcare support services, senior services, adult day care, career development, job training, and other therapeutic services.
- A VNB retail market manager lender provided 68 service hours as a board member of a community services organization. Programs included face-to-face counseling and fully integrated, team-oriented, cost-efficient mental health services and educational programming. The majority of individuals served by the organization were LMI.

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

Based on limited-scope reviews, the bank's performance under the Service Test in the Auburn MSA was consistent with the bank's overall performance under the Service Test in the full-scope areas. Performance in the Birmingham MSA was stronger than the bank's overall performance due to the opening of a branch in a moderate-income geography

## State Rating

### State of Florida

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

**The Lending Test is rated: Outstanding**

**The Investment Test is rated: Outstanding**

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

The major factors that support this rating include:

- Lending levels reflect good responsiveness to AA credit needs;
- The bank exhibits good geographical and borrower distribution of loans;
- The bank is a leader in CD lending. CD lending had a significantly positive impact on the Lending Test rating in Florida;
- The institution makes extensive use of innovative and/or flexible lending practices;
- The institution has an excellent level of qualified investments and grants;
- Service delivery system are accessible to geographies and individuals of different income levels;
- Limited-scope AAs had a positive impact on the Service Test rating.

### **Description of Institution's Operations in Florida**

The state of Florida represents VNB's second largest out of four rating areas, with over 22.3 percent of total bank deposits. As of December 31, 2021, the bank had seven AAs within the state of Florida. These AAs include the counties of Lee and Collier in the Cape Coral CSA, Duval and St. Johns in the Jacksonville MSA, Broward, Indian River, Miami Date, and Palm Beach in the Miami CSA, Sarasota in the North Port MSA, Orange, Polk and Seminole in the Orlando CSA, Brevard in the Palm Bay MSA, and Hillsborough and Pinellas in the Tampa MSA. The AAs meets the requirements of the regulation and do not arbitrarily exclude any LMI CTs. VNB offers a full range of loan and deposit products and services through the 43 full-service branches and 26 deposit-taking ATMs located in Florida.

According to the June 30, 2021, FDIC Deposit Market Share Report, VNB held \$7.4 billion in deposits, ranking 19 out of 191 institutions in the state, and representing 0.9 percent deposit market share. The five largest competitors in Florida include Bank of America, National Association, Wells Fargo Bank, National Association, Trust Bank, JPMorgan Chase Bank, National Association, and Raymond James Bank. These competitor deposits total \$444.7 billion, representing 55.2 percent of total deposit market share.

Throughout the evaluation period, within VNB's AAs, the bank originated 23.0 percent of its home mortgage and 30.3 percent its small business loans in Florida. Home mortgage and small business loans

originated in Florida represented 34.5 percent and 34.7 percent of total AAs dollar volume of loans, respectively.

### Cape Coral CSA

The Cape Coral CSA is comprised of Collier and Lee counties. VNB maintains four full-service branches and one ATM in the AA. The AA accounts for 1.1 percent of bank wide deposits and 5.0 percent of VNB's statewide deposits in the state of Florida.

According to the June 2021 FDIC Deposit Market Share Report, VNB ranked 22 out of 39 institutions in the AA, with a market share of 0.9 percent. The five largest competitors in the area include Bank of America, National Association, Wells Fargo Bank, National Association, Truist Bank, Fifth Third Bank, National Association, and First Horizon Bank. These competitors have deposits totaling \$23.6 billion, or 53.8 percent of the total deposit market share.

VNB's lending focus in the AA is on home mortgage and small business loans. Based on HMDA reported data, the bank originated or purchased 579 home mortgage loans totaling \$244.7 million in the AA during the review period. This represented 5.0 percent of all home mortgage loans bank wide by number and 3.9 percent by dollar volume. The bank also originated or purchased 455 small business loans totaling \$46.4 million in the AA during the review period. This represented 1.7 percent of small business loans bank wide by number and 1.9 percent by dollar volume.

The 2015 ACS data shows that 20.8 percent of families in the AA are low income and 18.2 percent of families in the AA are moderate income. The median family income in the Cape Coral MSA is \$57,627, meaning that low-income families made \$27,814 or less per year and moderate-income families made \$44,502 or less per year. The median family income in the Naples-Macro Island, FL MSA is \$66,626, meaning that low-income families made \$33,132 or less per year and moderate-income families made \$53,011 or less per year. The median housing value is \$246,568 and the median gross rent is \$1,007 per month. One method to determine housing affordability assumes a maximum affordable monthly principal and interest payment of no more than 30.0 percent of the applicant's income. The calculated maximum affordable monthly mortgage payment for low-income families is \$695.40 in the Cape Coral MSA and \$828.30 in the Naples-Macro Island, FL MSA. Assuming a 30-year mortgage with a 5.0 percent interest rate, and not considering down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the MSA median housing value would be \$1,324. This shows that the housing in the AA is not affordable to low-income families and those below the poverty level.

The poverty level across the AA was considered in the evaluation of lending performance. Families living below the poverty level are identified as having difficulty meeting basic financial needs and, as such, are less likely to have the financial wherewithal to qualify for a home loan than those with income above the poverty level. The 2020 national poverty rate was 11.4 percent, compared to the poverty rate in the AA of 10.4 percent.

The Bureau of Labor Statistics reports show that unemployment rates fluctuated significantly during the review period due to the Covid-19 pandemic. As of December 31, 2021, the unemployment rate in the AA was 2.7 percent. Unemployment peaked during the Covid-19 pandemic at 14.1 percent in April 2020 and gradually declined throughout the rest of 2020 and 2021 as micro and macro-economic

conditions improved. The unemployment rate of 2.7 percent in the AA is favorable compared to the statewide average unemployment rate of 3.5 percent and the national unemployment rate of 3.6 percent. The local economy benefits from serving as a popular retirement and vacation destination. Moody's Analytics reporting shows that the leading industries in the area are health care, restaurants, local government, and grocery stores. The largest employers in the area include Lee Memorial Healthcare System, Publix Super Markets Inc., Florida Gulf Coast University, and Walmart Inc.

We utilized two community contacts in this AA. The first was an economic development office focused on attracting and retaining diversified businesses for high-wage and high-skilled jobs. The second community contact was a community development organization focused on affordable homeownership. These organizations indicated a need for affordable housing for low to moderate income families, financial literacy, and small business lending.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Cape Coral CSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	241	5.4	23.7	35.7	34.0	1.2
Population by Geography	1,004,766	5.5	25.9	40.8	27.8	0.0
Housing Units by Geography	575,915	3.5	20.2	39.9	36.3	0.0
Owner-Occupied Units by Geography	267,895	2.1	17.8	43.2	36.9	0.0
Occupied Rental Units by Geography	114,280	8.8	31.4	37.9	21.8	0.0
Vacant Units by Geography	193,740	2.3	17.0	36.4	44.2	0.0
Businesses by Geography	214,669	2.9	19.6	39.8	37.7	0.1
Farms by Geography	5,873	4.0	24.8	45.2	25.9	0.0
Family Distribution by Income Level	253,300	20.8	18.2	19.5	41.5	0.0
Household Distribution by Income Level	382,175	22.5	17.2	18.7	41.7	0.0
Median Family Income MSA - 15980 Cape Coral-Fort Myers, FL MSA		\$57,627	Median Housing Value			\$246,568
Median Family Income MSA - 34940 Naples-Marco Island, FL MSA		\$66,264	Median Gross Rent			\$1,007
			Families Below Poverty Level			10.4%
Source: 2015 ACS and 2021 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.						

### Miami CSA

The Miami CSA is comprised of Broward, Indian River, Miami Dade, and Palm Beach counties. VNB maintains 13 full-service branches and seven ATMs in the AA. The AA accounts for 7.4 percent of bank wide deposits and 33.0 percent of VNB's statewide deposits in the state of Florida.

According to the June 2021 FDIC Deposit Market Share Report, VNB ranked 21 out of 84 institutions in the AA, with a market share of 0.8 percent. The five largest competitors in the area include Bank of



America, National Association, Wells Fargo Bank, National Association, JPMorgan Chase Bank, National Association, Citibank National Association, and Truist Bank. These competitors have deposits totaling \$185.4 billion, or 57.2 percent of the total deposit market share.

VNB's lending focus in the AA is on home mortgage and small business loans. Based on HMDA reported data, the bank originated or purchased 1,100 home mortgage loans totaling \$590.9 million in the AA during the review period. This represented 9.4 percent of all home mortgage loans bank wide by number and 9.4 percent by dollar volume. The bank also originated or purchased 2,918 small business loans totaling \$337.9 million in the AA during the review period. This represented 12.2 percent of small business loans bank wide by number and 12.2 percent by dollar volume.

The 2015 ACS data shows that 23.1 percent of families in the AA are low income and 17.0 percent of families in the AA are moderate income. The median family income in the West Palm Beach-Boca Raton-Boynton Beach, FL MSA is \$65,914, meaning that low-income families made \$32,957 or less per year and moderate-income families made \$52,731 or less per year. The median housing value is \$227,044 and the median gross rent is \$1,188 per month. One method to determine housing affordability assumes a maximum affordable monthly principal and interest payment of no more than 30.0 percent of the applicant's income. The calculated maximum affordable monthly mortgage payment for low-income families is \$824 in the West Palm Beach-Boca Raton-Boynton Beach, FL MSA. Assuming a 30-year mortgage with a 5.0 percent interest rate, and not considering down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the MSA median housing value would be \$1,219. This shows that the housing in the AA is not affordable to low-income families and those below the poverty level.

The poverty level across the AA was considered in the evaluation of lending performance. Families living below the poverty level are identified as having difficulty meeting basic financial needs and, as such, are less likely to have the financial wherewithal to qualify for a home loan than those with income above the poverty level. The 2020 national poverty rate was 11.4 percent, compared to the poverty rate in the AA of 13.4 percent.

According to the Bureau of Labor Statistics, unemployment rates fluctuated during the review period due to the Covid-19 pandemic. As of December 31, 2021, the unemployment in the AA was 2.9 percent. Unemployment peaked during the Covid-19 pandemic at 14.5 percent in April 2020 and gradually declined throughout the rest of 2020 and 2021 as the local and national economy improved. The unemployment rate of 2.9 percent in the AA is favorable compared to the statewide average unemployment rate of 3.5 percent and the national unemployment rate of 3.6 percent. The local economy benefits from a strong tourism and cruise industry; however, housing costs have risen significantly, with single family home prices increasing by 27.0 percent in 2021. Moody's Analytics reporting shows that the leading industries in the area are health care, local government, and grocery stores. The largest employers in the area include Publix Super Markets, Baptist Health South Florida, American Airlines, Jackson Health System, and Florida International University. The Moody's report shows that the recovery in international tourism and strength in white-collar industries will help to sustain above-average job growth in 2022 and bode well for long-term income and population growth.

We utilized two community contacts in this AA. The first was an organization that works to ensure the availability of affordable housing for low- and moderate-income individuals. The second community contact was a community development organization focused on improving distressed communities by

lending to small businesses and funding community development projects that primarily benefit low-to-moderate income families. These organizations indicated a need for small business lending for businesses with five employees or less, more information on types of funding sources available for small businesses, and additional bank participation in projects that increase affordable housing, revitalizing low-income neighborhoods, and support development in low-and moderate-income areas.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Miami CSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	1,250	6.2	27.9	29.9	33.4	2.6
Population by Geography	6,003,866	5.7	28.7	32.0	33.2	0.4
Housing Units by Geography	2,561,663	5.5	27.5	31.5	35.2	0.3
Owner-Occupied Units by Geography	1,291,206	2.6	22.8	33.6	40.9	0.1
Occupied Rental Units by Geography	813,661	10.1	36.3	30.4	22.8	0.5
Vacant Units by Geography	456,796	5.5	25.3	27.7	41.0	0.6
Businesses by Geography	1,694,441	4.2	22.1	28.6	43.9	1.2
Farms by Geography	22,354	4.9	25.2	30.8	38.7	0.4
Family Distribution by Income Level	1,367,040	23.1	17.0	17.7	42.2	0.0
Household Distribution by Income Level	2,104,867	25.1	15.7	16.6	42.6	0.0
Median Family Income MSA - 22744 Fort Lauderdale-Pompano Beach-Sunrise, FL		\$61,809	Median Housing Value			\$227,044
Median Family Income MSA - 33124 Miami-Miami Beach-Kendall, FL		\$49,264	Median Gross Rent			\$1,188
Median Family Income MSA - 42680 Sebastian-Vero Beach, FL MSA		\$58,448	Families Below Poverty Level			13.4%
Median Family Income MSA - 48424 West Palm Beach-Boca Raton-Boynton Beach, FL		\$65,914				
Source: 2015 ACS and 2021 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.						

### Tampa MSA

The Tampa MSA is comprised of Hillsborough and Pinellas counties. VNB maintains 12 full-service branches and 12 ATMs in the AA. The AA accounts for 9.6 percent of bank wide deposits and 43.0 percent of VNB's statewide deposits in the state of Florida.

According to the June 2021 FDIC Deposit Market Share Report, VNB ranked eighth out of 52 institutions in the AA, with a market share of 3.0 percent. The five largest competitors in the area include Raymond James Bank, Bank of America, National Association, Truist Bank, Wells Fargo Bank,

National Association, and Regions Bank. These competitors have deposits totaling \$74.8 billion, or 70.3 percent of the total deposit market share.

VNB's lending focus in the AA is on home mortgage and small business loans. Based on HMDA reported data, the bank originated or purchased 1,144 home mortgage loans, totaling \$726.8 million in the AA during the review period. This represented 9.8 percent of all home mortgage loans bank wide by number and 11.5 percent by dollar volume. The bank also originated or purchased small business loans, totaling \$465.9 million in the AA during the review period. This represented 16.9 percent of small business loans bank wide by number and 14.2 percent by dollar volume.

The 2015 ACS data shows that 21.2 percent of families in the AA are low income and 17.0 percent of families in the AA are moderate income. The median family income in the Tampa-St. Petersburg-Clearwater, FL MSA is \$58,916, meaning that low-income families made \$29,418 or less per year and moderate-income families made \$47,133 or less per year. The median housing value is \$166,481 and the median gross rent is \$988 per month. One method to determine housing affordability assumes a maximum affordable monthly principal and interest payment of no more than 30.0 percent of the applicant's income. The calculated maximum affordable monthly mortgage payment for low-income families is \$737 in the Tampa-St. Petersburg-Clearwater, FL MSA. Assuming a 30-year mortgage with a 5.0 percent interest rate, and not considering down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the MSA median housing value would be \$894. This shows that the housing in the AA is not affordable to low-income families and those below the poverty level.

The poverty level across the AA was considered in the evaluation of lending performance. Families living below the poverty level are identified as having difficulty meeting basic financial needs and, as such, are less likely to have the financial wherewithal to qualify for a home loan than those with income above the poverty level. The 2020 national poverty rate was 11.4 percent, compared to the poverty rate in the AA of 11.5 percent.

The Bureau of Labor Statistics reports show that unemployment rates fluctuated significantly during the review period due to the Covid-19 pandemic. As of December 31, 2021, the unemployment rate in the AA was 2.7 percent. Unemployment peaked during the Covid-19 pandemic at 13.1 percent in May 2020 and gradually declined throughout the rest of 2020 and 2021 as economic conditions improved. The unemployment rate of 2.7 percent in the AA is favorable compared to the statewide average unemployment rate of 3.5 percent and national unemployment rate of 3.9 percent. The local economy benefits from serving as a popular vacation destination and serves as the financial services capital of Florida. Moody's Analytics reporting shows that the leading industries in the area are local government, restaurants, medical offices, hospital, and employment services. The largest employers in the area include BayCare Health Systems, Publix Supermarkets Inc., Hillsborough County School District, HCA West Florida Division, and MacDill Air Force Base.

We utilized two community contacts in this AA. The first was an organization focused on improving quality of life in neighborhoods by promoting home ownership, rehabilitation, and economic development. The second community contact was a community development organization focused on improving small business ownership. These organizations indicated a need for financing for single family houses and small multifamily development, job training programs, support for CDFIs, nontraditional financing, and pre-foreclosure counseling.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Orlando CSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	447	4.3	25.7	38.9	30.6	0.4
Population by Geography	2,293,061	2.7	24.7	39.4	33.2	0.0
Housing Units by Geography	968,135	2.8	24.6	41.0	31.6	0.0
Owner-Occupied Units by Geography	494,148	1.1	18.0	41.4	39.5	0.0
Occupied Rental Units by Geography	313,812	5.3	34.4	37.9	22.3	0.0
Vacant Units by Geography	160,175	3.0	26.1	45.5	25.4	0.0
Businesses by Geography	464,336	1.9	22.8	36.3	39.0	0.0
Farms by Geography	9,889	1.9	21.6	42.6	34.0	0.0
Family Distribution by Income Level	534,248	20.9	17.4	19.4	42.3	0.0
Household Distribution by Income Level	807,960	22.4	16.6	18.1	42.8	0.0
Median Family Income MSA - 29460 Lakeland-Winter Haven, FL MSA		\$50,986	Median Housing Value			\$153,578
Median Family Income MSA - 36740 Orlando-Kissimmee-Sanford, FL MSA		\$57,304	Median Gross Rent			\$1,025
			Families Below Poverty Level			12.5%
Source: 2015 ACS and 2021 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

Within the state of Florida, we conducted full-scope reviews on the Cape Coral CSA, Miami CSA, and the Tampa MSA. The full-scope AAs account for 81.0 percent of statewide deposits.

For all performance tests within the full-scope AAs, we placed the most weight on performance within the Tampa MSA and Miami CSA, respectively. We placed more weight on the Tampa MSA and Miami CSA due to the fact those AAs have the largest deposit and loan market shares within the state of Florida.

For VNB's performance in the lending test, we gave more weight to home mortgage lending in the Cape Coral MSA since the majority of loan originations and loan volume were home mortgage loans.

See Appendix A for more information.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN FLORIDA

### LENDING TEST

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

### Conclusions for Areas Receiving Full-Scope Reviews

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

### Lending Activity

Lending levels reflect good responsiveness to AA credit needs.

Number of Loans*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State Loans	%State Deposits
Cape Coral CSA	579	455	0	7	1,041	8.6	5.0
Jacksonville MSA	85	524	0	12	621	5.1	3.8
Miami CSA	1,100	2,918	0	43	4,061	33.6	33.0
North Port MSA	75	108	0	4	187	1.5	4.7
Orlando CSA	258	988	0	11	1,257	10.4	10.0
Palm Bay MSA	229	87	0	4	320	2.6	0.5
Tampa MSA	1,144	3,401	0	50	4,595	38.0	43.0

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

Dollar Volume of Loans* (000's)							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State* Loans	%State Deposits
Cape Coral MSA	\$244,684	\$46,360	\$0	\$19,567	\$310,611	9.1	5.0
Jacksonville MSA	\$72,493	\$75,935	\$0	\$39,548	\$187,976	5.5	3.8
Miami CSA	\$590,948	\$337,943	\$0	\$163,222	\$1,092,113	31.8	33.0
North Port MSA	\$60,597	\$11,761	\$0	\$46,492	\$118,850	3.5	4.7
Orlando CSA	\$158,707	\$137,525	\$0	\$22,700	\$318,932	9.3	10.0
Palm Bay MSA	\$69,442	\$10,413	\$0	\$20,793	\$100,648	2.9	0.5
Tampa MSA	\$726,769	\$465,945	\$0	\$107,221	\$1,299,935	37.9	43.0

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

Cape Coral CSA

Lending levels reflect good responsiveness to community credit needs.

According to the June 30, 2021 FDIC Summary of Deposit Report, VB had \$373.5 million in deposits in the Cape Coral MSA. VNB had a 0.9 percent deposit market share. VNB's deposit market share ranked 22<sup>nd</sup> out of 39 deposit taking institutions. The bank's deposit market share ranking was in the top 56.4 percent of all deposit taking institutions.

According to 2020 peer mortgage data, VNB had a 0.3 percent market share of home mortgage loan originations. The bank's market share of home mortgage loan originations is significantly below its deposit market share. The bank's market share of home mortgage loan originations ranked 64<sup>th</sup> out of 1,160 home mortgage origination lenders. The bank's home mortgage origination market share ranking was in the top 5.5 percent of all home mortgage lenders. The bank's home mortgage origination market share ranking was stronger than its deposit market share ranking.

According to 2020 peer small business data, VNB had a 0.6 percent market share of small business loan originations. The bank's market share of small business loan originations was below its deposit market share. The bank's market share of small business loan originations ranked 28<sup>th</sup> out of 283 small business lenders. The bank's market share of small business loan originations ranked in the top 9.9 percent. The bank's market share ranking was stronger than its deposit market share ranking.

Miami CSA

Lending levels reflect a good responsiveness to community needs.

According to June 30, 2021 FDIC Summary of Deposit Reports, VNB had 2.5 billion in deposits in the Miami CSA. VNB had a deposit market share of 0.8 percent. The bank's deposit market share ranked 21<sup>st</sup> out of 84 deposit taking institutions. The bank's deposit market share ranking was in the top 25.0 percent.

According to 2020 peer mortgage data, VNB had a 0.1 percent market share of home mortgage loan originations. The bank's market share of home mortgage loan originations was significantly below its deposit market share. The bank's market share of home mortgage loan originations ranked 114<sup>th</sup> out of 1,106 mortgage lenders. The bank market share ranking of home mortgage loans originations was in the top 10.3 percent of all home mortgage lenders. The bank's market share ranking of home mortgage loan originations was stronger than its deposit market share ranking.

According to 2020 peer small business data, the bank had a 0.5 percent market share of small business loan originations. The bank's market share of small business loan originations was below its deposit market share. The bank's small business loan market share ranked 27<sup>th</sup> out of 395 small business lenders. The bank's small business loan origination market ranking was in the top 6.8 percent of all small business lenders. The bank's market share ranking of small business loan originations was stronger than its deposit market share ranking.

*Tampa MSA*

Lending levels reflect a good responsiveness to community needs.

According to June 30, 2021, FDIC Summary of Deposit Reports, VNB had \$3.2 billion in deposits in the Tampa MSA. The bank had a deposit market share of 3.0 percent. The bank's deposit market share ranked 8<sup>th</sup> out of 52 deposit taking institutions. The bank's deposit market share ranking was in the top 15.4 percent.

According to 2020 peer mortgage data, VNB had a 0.3 percent market share of home mortgage loan originations. The bank's market share of home mortgage loan originations is significantly below its deposit market share. The bank's market share of home mortgage loan originations ranked 74<sup>th</sup> out of 1,042 home mortgage lenders. The bank's market share of home mortgage loan originations was in the top 7.1 percent of all home mortgage lenders. The bank's market share of home mortgage loan originations was stronger than its deposit market share.

According to 2021 peer small business data, VNB had a 2.4 percent market share of small business loan originations. The bank's market share of small business loan originations was somewhat below its deposit market share. The bank's market share of small business loan originations ranked 13<sup>th</sup> out of 280 small business lenders. The bank's market share of small business loan originations ranked in the top 4.6 percent of all small business lenders. The bank's market share of small business loan originations was stronger than its deposit market share ranking.

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

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

*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.

*Cape Coral MSA*

The geographic distribution of home mortgage loans is good. The proportion of VNB's home mortgage loans to low-income CTs is significantly below the percentage of owner-occupied housing and below the aggregate industry distribution of home mortgage loans to those borrowers. The proportion of VNB's home mortgage loans to moderate-income CTs exceeded the percentage of owner-occupied housing and the aggregate industry distribution of home mortgage loans to those geographies.

*Miami CSA*

The geographic distribution of home mortgage loans is excellent. The proportion of VNB's home mortgage loans to low-income CTs exceeded the percentage of owner-occupied housing and the aggregate industry distribution of home mortgage loans to those geographies. The proportion of VNB's home mortgage loans to moderate-income CT's is near to the percentage of owner-occupied housing and exceeded the aggregate industry distribution of home mortgage loans to those geographies.

*Tampa CSA*

The geographic distribution of home mortgage loans is adequate. The proportion of VNB's home mortgage loans in low-income CT's exceeded the percentage of owner-occupied housing and the aggregate industry distribution of home mortgage loans to those geographies. The proportion of VNB's home mortgage loans in moderate-income CTs was significantly below the percentage of owner-occupied housing and well below the aggregate industry distribution of home mortgage loans to those geographies.

***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.

*Cape Coral MSA*

The geographic distribution of small loans to businesses is adequate. The proportion of VNB's small loans to businesses in low-income CTs is somewhat below the percentage of businesses and near to the aggregate industry distribution of small loans to businesses in those geographies. The proportion of VNB's small loans to businesses in moderate-income CTs is well below the percentage of businesses and below the aggregate industry distribution of small loans to businesses in those geographies.

*Miami CSA*

The geographic distribution of small loans to businesses is excellent. The proportion of VNB's small loans to businesses in LMI CTs exceeded the percentage of businesses and the aggregate industry distribution of small loans to businesses in those geographies.

*Tampa CSA*

The geographic distribution of small loans to businesses is excellent. The proportion of VNB's small loans to businesses in LMI CTs exceeded the percentage of businesses and the aggregate industry distribution of small loans to businesses in those geographies.

***Lending Gap Analysis***

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

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

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



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

Refer to Table 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.

When determining our ratings in the state of Florida, we considered the relatively high housing costs compared to low-income family income. The relatively high housing costs compared to low-income family income somewhat impacts a low-income borrowers ability to qualify for a home mortgage. Therefore, for low-income borrower distribution, greater significance was placed on performance compared to the aggregate distribution of home mortgage loans.

#### **Cape Coral CSA**

The borrower distribution of home mortgage loans is excellent. The proportion of VNB's home mortgage loans to low-income borrowers was significantly below the percentage of low-income families and near to the aggregate industry distribution of home mortgage loans to those borrowers. The proportion of VNB's home mortgage loans to moderate-income borrowers exceeded the percentage of moderate-income families and the aggregate industry distributions of home mortgage loans to those borrowers.

#### **Miami CSA**

The borrower distribution of home mortgage loans is good. The proportion of VNB's home mortgage loans to low-income borrowers is significantly below the percentage of low-income families and exceeded the aggregate industry distribution of loans to those borrowers. The proportion of VNB's home mortgage loans to moderate-income borrowers is somewhat below the percentage of moderate-income families and exceeded the aggregate industry distribution of loans to those borrowers.

#### **Tampa MSA**

The borrower distribution of home mortgage loans is poor. The proportion of VNB's home mortgage loans to low-income borrowers is significantly below the percentage of low-income families and well below the aggregate industry distribution of home mortgage loans to those borrowers. The percentage of VNB's home mortgage loans to moderate-income borrowers is significantly below the percentage of moderate-income borrowers and the aggregate industry distribution of home mortgage loans to those borrowers.

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

When determining our ratings, we considered the impact of PPP loans on the bank's ability to collect revenue information. Therefore, we placed more weight on the bank's aggregate performance when determining our conclusions throughout the state of Florida.

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 origination and purchase of small loans to businesses.

Cape Coral CSA

The borrower distribution of small loans to businesses is good. The proportion of VNB's small loans to businesses was significantly below the percentage of those businesses with revenues of \$1 million or less and exceeded the aggregate industry distribution of small loans to those businesses.

Miami CSA

The borrower distribution of small loans to businesses is good. The proportion of VNB's small loans to businesses was significantly below the percentage of those businesses with revenues of \$1 million or less and exceeded the aggregate industry distribution of small loans to those businesses.

Tampa MSA

The borrower distribution of small loans to businesses is good. The proportion of VNB's small loans to businesses was significantly below the percentage of those businesses with revenues of \$1 million or less and exceeded the aggregate industry distribution of small loans to those businesses.

**Community Development Lending**

The institution is a leader in making CD loans. CD lending had a significantly positive impact on the Lending Test rating in Florida.

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

Cape Coral CSA

The volume of CD lending was excellent and had a significantly positive impact on the Lending Test performance in the Cape Coral CSA. During the evaluation period, VNB originated seven CD loans totaling \$19.6 million. CD loan volume was equivalent to 40.5 percent of allocated tier 1 capital. The bank's CD lending supported affordable housing, economic development, and revitalization and stabilization of LMI areas. By dollar volume, 56.2 percent funded affordable housing, 8.8 percent funded economic development, and 35.0 percent funded revitalization and stabilization efforts.

The following are examples of CD loans in the AA:

- The bank originated a \$11.0 million construction loan to build a 96-unit apartment building located in a moderate-income tract. All units in this building will be rent restricted to 60.0 percent median income or below.
- The bank originated a \$1.7 million loan for a restaurant to acquire a vacant building in a low-income CT. The new restaurant location will help produce new jobs and aide in revitalization and rehabilitation in the AA.

- VNB's participation in the PPP resulted in four CRA qualified SBA loans totaling \$5.2 million. Two PPP loans were made to businesses located in LMI geographies

### Miami CSA

The volume of CD lending was excellent and had a significantly positive impact on the Lending Test performance in Miami CSA. During the evaluation period, VNB originated 43 CD loans totaling \$163.2 million or 51.4 percent of allocated tier 1 capital. The bank's CD lending helped support affordable housing, community service, economic development, and revitalization and stabilization of LMI areas. By dollar volume, 19.9 percent funded affordable housing, 54.8 percent funded community service, 9.6 percent funded economic development, and 15.7 percent funded revitalization and stabilization efforts.

The following are examples of CD loans in the AA:

- The bank originated a \$28.5 million commercial mortgage to finance the acquisition of a skilled nursing facility located in a moderate CT that primarily serves LMI individuals.
- The bank originated a \$14.0 million commercial mortgage on a portfolio of 11 multifamily properties located in a LMI area. The apartments limit income for all units to 60.0 percent of area median income.
- The bank originated a \$12.4 million commercial mortgage to refinance an apartment complex with 240 affordable apartment units for low-income households.
- The bank originated a \$100,000 line of credit to a non-profit group that is primarily focused on helping underserved children, youth, and families located in low-income CTs.

### Tampa MSA

The volume of CD lending was excellent and had a significantly positive impact on the Lending Test performance in Tampa MSA. During the evaluation period, VNB originated 50 CD loans totaling \$107.2 million or 25.9 percent of allocated tier 1 capital. The bank's CD lending helped support affordable housing, community service, economic development, and revitalization and stabilization of LMI areas. By dollar volume, 40.4 percent funded affordable housing, 9.1 percent funded community service, 6.5 percent funded economic development, and 44.1 percent funded revitalization and stabilization efforts.

The following are examples of CD loans in the AA:

- The bank originated a \$10.0 million commercial mortgage on a 260-unit apartment complex with rents that are all below the HUD FMR. The loan will help support affordable housing in the AA.
- The bank originated a \$5.8 million construction to permanent loan for the expansion of a medical services organization that provides treatment to patients regardless of their ability to pay.

- VNB’s participation in the PPP resulted in 27 SBA qualified loans totaling \$47.4 million. These loans were made for a qualified CD purpose and/or to non-profits providing CD activities and services.

### Statewide - Florida

VNB made 29 CD loans totaling \$196.6 million in the state of Florida that could not be allocated to a specific AA. The focus of the out of AA CD lending was community services and PPP loans that also qualify as a CD loan.

### **Product Innovation and Flexibility**

The institution makes extensive use of innovative and/or flexible lending practices in order to serve AA credit needs to both consumers and small business owners. Refer to the “Scope of the Evaluation” section for additional details regarding home mortgage and small business lending programs. During the evaluation period, VNB participated in the following programs:

- Community Advantage Home Mortgage – originated 231 loans totaling \$40.6 million;
- Community Advantage Plus – originated 93 loans totaling \$20.4 million;
- Community Advantage Refinance – originated 18 loans totaling \$2.5 million;
- Community Land Trusts and Deed Restrictions – originated 11 loans totaling \$1.8 million;
- Home Possible Mortgage – originated 3 loans totaling \$601,000;
- HomeReady™ Fixed Rate Mortgage – originated 29 loans totaling \$4.8 million;
- FHA Home Mortgage – originated 90 loans totaling \$21.0 million;
- SBA 7(a) – originated 68 loans totaling \$54.0 million; and
- Veteran Administration Home Mortgage – originated 15 loans totaling \$4.8 million.

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

Based on limited-scope reviews, the bank’s performance under the Lending Test in the Jacksonville MSA, North Port MSA, Orlando MSA, and Palm Bay MSA is consistent with the bank’s overall performance under the Lending Test in the full-scope areas.

Refer to Tables O through R in the state of Florida section of Appendix D for the facts and data that support these conclusions.

### **INVESTMENT TEST**

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

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

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

The institution has an excellent level of qualified CD investment and grants, often in a leadership position, particularly those that are not routinely provided by private investors.

The institution exhibits excellent responsiveness to credit and community economic development needs. The institution makes extensive use of innovative and/or complex investments to support CD initiatives.

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Cape Coral MSA	6	\$1,283	21	\$3,765	27	5.3	\$5,048	6.0	0	\$0
Jacksonville MSA	5	\$688	21	\$2,222	26	5.1	\$2,910	3.4	0	\$0
Miami CSA	24	\$13,812	143	\$18,512	167	32.6	\$32,324	38.2	0	\$0
North Port MSA	4	\$240	10	\$3,210	14	2.7	\$3,450	4.1	0	\$0
Orlando CSA	11	\$3,264	74	\$5,346	85	16.6	\$8,610	10.2	0	\$0
Palm Bay MSA	3	\$353	7	\$20	10	2.0	\$373	0.4	0	\$0
Tampa MSA	13	\$13,440	170	\$18,539	183	35.7	\$31,979	37.7	0	\$0

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

### Cape Coral CSA

VNB had 27 qualified CD investments and grants totaling \$5.0 million. CD investments and grants represented 10.5 percent of allocated tier 1 capital. During the evaluation period, the bank made 21 CD investments and grants totaling \$3.8 million. Additionally, the AA benefited from the ongoing impact of six prior period qualified investments totaling \$1.3 million. VNB's CD investments were responsive to affordable housing within the AA.

Examples of CD investments include:

- VNB invested \$1.5 million in CRA eligible MBS. The mortgages primarily benefitted LMI individuals in the Cape Coral CSA.
- VNB donated approximately \$16,000 to an organization that provides credit and financial counseling services to current and prospective homeowners who earn at or below 80 percent of area median income.

### Miami CSA

VNB had 167 qualified CD investments and grants totaling \$32.3 million. CD investments and grants represented 10.2 percent of allocated tier 1 capital. During the evaluation period, the bank made 143 CD investments and grants totaling \$18.5 million. Additionally, the AA benefited from the ongoing impact of 24 prior period qualified investments totaling \$13.8 million. VNB's CD investments were responsive to affordable housing within the AA.

Examples of CD investments include:

- VNB invested \$6.5 million in MBS backed by 77 single family loans some of which are secured by properties located in low- or moderate-income geographies.

- VNB donated \$15,000 to a non-profit organization created to aid small businesses operating in LMI communities. The bank's grants provided loans to at-risk businesses most impacted by the COVID-19 pandemic.
- VNB donated approximately \$80,000 to an organization that works with the private sector to support and promote quality education in public schools. Programs include helping low-income families obtain basic school supplies they otherwise would not have, and an initiative to promote a college-going culture to low-income and first-generation high school students.

### Tampa MSA

VNB had 183 qualified CD investments and grants totaling \$32.0 million. CD investments and grants represented 7.7 percent of allocated tier 1 capital. During the evaluation period, the bank made 170 CD investments and grants totaling \$18.5 million. Additionally, the AA benefited from the ongoing impact of 13 prior period qualified investments totaling \$13.4 million. VNB's CD investments were responsive to affordable housing and economic development within the AA.

Examples of CD investments include:

- VNB invested \$2.3 million to create the DV VNB Community Investment Fund. Through partnership in a nationally recognized CDE, the bank provided a New Markets Tax Credit investment to finance the rehabilitation of an existing historic building and construct an adjacent building in Tampa, FL. Two nonprofit businesses, which provide full-service healthcare to the uninsured and underinsured, will occupy the buildings. Over 55 percent of patients are considered low-income.
- VNB donated approximately \$90,000 to an organization that supports health, education, and welfare of community members and preserving cultural values and heritage. The bank's grant provided scholarships for students to attend the community school. Approximately 51 percent of families requesting scholarships or tuition reduction are LMI.

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

Based on limited-scope reviews, the bank's performance under the Investment Test in the Orlando CSA and Jacksonville MSA is consistent with the bank's overall performance under the Investment Test in the full-scope areas and is excellent. Based on limited-scope reviews, the North Point MSA and Palm Bay MSA exhibit weaker performance than full-scope areas. Weaker performance was due to a lesser percentage of CD investments compared to allocated tier 1 capital. Performance in limited-scope AAs had a neutral impact on the Investment Test rating.

## **SERVICE TEST**

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

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

Based on full-scope reviews, the bank's performance in the Cape Coral CSA, Miami CSA, and Tampa CSA was good.

## Retail Banking Services

Distribution of Branch Delivery System											
Assessment Area	Deposits	Branches						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				% of Population within Each Geography*			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Cape Coral MSA	5.0	4	9.8	0.0	25.0	0.0	75.0	5.5	25.9	35.7	34.0
Jacksonville MSA	3.8	2	4.9	0.0	0.0	50.0	50.0	6.5	25.0	35.8	32.7
Miami CSA	33.0	13	31.7	15.4	7.7	15.4	61.5	5.7	28.7	32.0	33.2
North Port	4.7	2	4.9	0.0	100.0	0.0	0.0	1.0	20.2	54.9	23.9
Orlando CSA	10.0	7	17.1	0.0	28.6	0.0	71.4	2.7	24.7	39.4	33.2
Palm Bay MSA	0.5	1	2.4	0.0	100.0	0.0	0.0	3.4	23.5	43.2	29.9
Tampa MSA	43.0	12	29.3	8.3	16.7	41.7	33.3	5.8	20.0	38.2	35.6

\*Does not equal 100.0 due to N/A CTs

### Cape Coral CSA

Service delivery systems were accessible to geographies and individuals of different income levels in the institution's AA. VNB did not have any branches in low-income geographies due to the fact there are no low-income CTs. VNB's distribution of branches in moderate-income geographies approximated the percentage of the population living within those geographies.

VNB had several alternative delivery systems including ATMs, telephone and internet banking, remote deposit capture, Zelle®, online account opening, drive-in and night deposit services, and safe deposit facilities. These systems provided additional delivery availability and access to banking services to both retail and business customers. VNB had only one deposit-taking ATM in the AA, which was not in an LMI geography. The bank offered innovative and flexible deposit products and retail services, such as the Valley Journey, Valley Milestone, Valley My Choice, and Valley Nonprofit Organization checking accounts, which were effective in helping address community needs. The bank did not provide data regarding LMI persons usage of alternative delivery systems; therefore we did not give any weight to alternative delivery systems in the Service Test Conclusions.

### Miami CSA

Service delivery systems were reasonably accessible to geographies and individuals of different income levels in the institution's AA. VNB's distribution of branches in low-income geographies exceeded, and in moderate-income geographies was well below the percentage of the population living within those geographies.

VNB had several alternative delivery systems including ATMs, telephone and internet banking, remote deposit capture, Zelle®, online account opening, drive-in and night deposit services, and safe deposit facilities. These systems provided additional delivery availability and access to banking services to both retail and business customers. VNB had seven deposit-taking ATMs in the AA, one of which was in a low-income geography. The bank offered innovative and flexible deposit products and retail services, such as the Valley Journey, Valley Milestone, Valley My Choice, and Valley Nonprofit Organization checking accounts, which were effective in helping address community needs. The bank did not provide data regarding LMI persons usage of alternative delivery systems; therefore we did not give any weight to alternative delivery systems in the Service Test Conclusions.

#### Tampa MSA

Service delivery systems were accessible to geographies and individuals of different income levels in the institution's AA. VNB's distribution of branches in low-income geographies exceeded, and in moderate-income geographies was near to the percentage of the population living within those geographies.

VNB had several alternative delivery systems including ATMs, telephone and internet banking, remote deposit capture, Zelle®, online account opening, drive-in and night deposit services, and safe deposit facilities. These systems provided additional delivery availability and access to banking services to both retail and business customers. VNB had 12 deposit-taking ATMs in the AA, the distribution of which was consistent with the branch distributions. The bank offered innovative and flexible deposit products and retail services, such as the Valley Journey, Valley Milestone, Valley My Choice, and Valley Nonprofit Organization checking accounts, which were effective in helping address community needs. The bank did not provide data regarding LMI persons usage of alternative delivery systems; therefore we did not give any weight to alternative delivery systems in the Service Test Conclusions.

Distribution of Branch Openings/Closings						
	Branch Openings/Closings					
Assessment Area	# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)			
			Low	Mod	Mid	Upp
Cape Coral MSA						
Jacksonville MSA		1				-1
Miami CSA	1	1	+1		-1	
North Port MSA	1			+1		
Orlando CSA	1					+1
Palm Bay MSA						
Tampa MSA		3			-1	-2



Cape Coral MSA

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

Services, including where appropriate, business hours, did not vary in a way that inconveniences its AA, particularly low- and moderate-income geographies and/or individuals. All branches were open Monday through Thursday, 9:00 am to 4:00 pm. All branches had drive-up facilities that were open from 8:00 am to 5:00 pm, Monday through Friday.

Miami CSA

To the extent changes have been made, the institution's opening and closing of branches has not affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. VNB opened one branch in a low-income geography and closed one branch in an upper-income geography.

Services, including where appropriate, business hours, did not vary in a way that inconveniences its AA, particularly low- and moderate-income geographies and/or individuals. Six branches were open Monday through Friday, 9:00 am to 5:00 pm. Seven branches were open Monday through Friday, 9:00 am to 4:00 pm, but had drive-up facilities open from 8:00 am to 5:00 pm.

Tampa MSA

To the extent changes have been made, the institution's opening and closing of branches has generally not adversely affected the accessibility of its delivery systems, particularly in LMI geographies and/or to LMI individuals. VNB did not open any branches and closed three branches during the evaluation period, none of which were in low- or moderate-income geographies.

Services, including where appropriate, business hours, did not vary in a way that inconveniences its AA, particularly low- and moderate-income geographies and/or individuals. One branch was open Monday through Friday, 9:00 am to 5:00 pm. Ten branches were open Monday through Friday, 9:00 am to 4:00 pm, but had drive-up facilities open from 8:00 am to 5:00 pm. One branch was open Monday through Friday, 8:00 am to 4:00 pm, but had drive-up facilities open from 8:00 am to 5:00 pm.

**Community Development Services**

The institution provided a relatively high level of CD services.

Cape Coral CSA

Two employees held leadership positions as committee members to two CD organizations in the AA, accounting for 85 hours during the evaluation period. Two VNB employees were involved in four events that provided 17 hours of service to three CD organizations assisting 187 participants during the evaluation period. The organizations focused on affordable housing; including home ownership education; economic development, including technical assistance to small businesses; and community services, including financial education LMI students.

Examples of qualified CD service activity in this AA include:

- A VNB market manager provided 80 service hours as a committee member for the local chapter of a nationwide community services organization. The organization focuses on early childhood education programs; food pantries, soup kitchens, and meal programs, and referrals to safety net services such as medical, psychological, and childcare. All programs are targeted to LMI families and individuals.
- A VNB branch operations manager provided five service hours as a committee member to a local economic development council. The council helped support and develop a thriving business community by prioritizing quality of life, workforce development, and business retention and expansion. They supported thoughtful growth in local communities, helped relocating companies to establish operations, and assisted in attracting business and resource partners to make the region economically stable.

### Miami CSA

CD services were effective and responsive in addressing community needs. Twenty-seven employees held leadership positions as board or committee members to 40 CD organizations in the AA, accounting for 2,173 hours during the evaluation period. Seventy-four VNB employees were involved in 188 events that provided 560 hours of service to 42 CD organizations assisting 3,838 participants during the evaluation period. The organizations focused on affordable housing; including home ownership education; economic development, including technical assistance to small businesses; and community services, including food bank distribution and financial education to LMI individuals and students.

Examples of qualified CD service activity in this AA include:

- A VNB vice-president provided 100 service hours as a committee member for the local housing finance authority. The organization encouraged acquisition, construction, renovation and rehabilitation of affordable multi-family projects in the AA. It also provided multi-family mortgage revenue bond programs for qualified rental housing developers to finance affordable multi-family housing projects.
- A VNB vice-president provided 98 service hours as a committee member to a local chapter of a nationwide community service organization's charity fund. The fund provided college scholarships, grants to local elementary schools, and during the last three years sponsored a food service that prepared over 150,000 meals for local families, all targeted to predominately LMI individuals and families.
- A VNB vice-president provided 96 service hours as a board member to a local community development corporation whose mission was to provide quality, permanent, affordable housing opportunities to meet the needs of lower-income individuals, homeless persons, and those with disabilities, including mental illness.

Tampa MSA

CD services were effective and responsive in addressing community needs. Twenty-six employees held leadership positions as board or committee members to 30 CD organizations in the AA, accounting for 2,565 hours during the evaluation period. Forty VNB employees were involved in 39 events that provided 158 hours of service to 17 CD organizations assisting 1,118 participants during the evaluation period. The organizations focused on affordable housing; including home ownership education; economic development, including technical assistance to small businesses; and community services, including food bank distribution and financial education to LMI individuals and students.

Examples of qualified CD service activity in this AA include:

- A VNB first vice-president provided 214 service hours as a committee member of a local community service foundation. The organization provided a healthy living environment, support services, and training to LMI families and individuals to help them on the road to self-sufficiency, financial stability, and self-respect. They provided housing for LMI families as well as financial literacy classes to help residents potentially move on to home ownership.
- A VNB first vice-president provided 94 service hours as a board member and a VNB executive vice-president provided 72 service hours as a committee member of a local CDFI. The organization facilitated private investment for community revitalization and neighborhood preservation. They provided flexible financing for affordable housing and community development and offered economic development products that provided for the stabilization and/or redevelopment of low-income neighborhoods.
- A VNB first vice-president provided 131 service hours as a board member of a non-profit organization that empowers educators, youth services professionals, and parents/guardians with training, coaching and research-based resources to assist students to improve their social and emotional skills. The organization worked with local school systems that were comprised of mainly LMI students.

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

Based on limited-scope reviews, the bank's performance under the Service Test in the North Port MSA, Orlando MSA, and Palm Bay MSA is stronger than the bank's overall performance under the Service Test in the full-scope areas. Stronger performance is due to higher percentage of bank branches in LMI geographies. Bank performance in the Jacksonville MSA is consistent with the overall performance. Performance in limited-scope areas had a positive impact on the Service Test rating.

## State Rating

### State of New Jersey

#### **CRA rating for the State of New Jersey: Satisfactory**

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

**The Investment Test is rated: Outstanding**

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

The major factors that support this rating include:

- Lending levels reflect good responsiveness to AA credit needs;
- The bank exhibited poor geographical and good borrower distribution of loans;
- CD lending and use of innovative and flexible products had a positive impact on the Lending Test rating.
- The institution has a significant level of qualified CD investments and grants; and
- Service delivery systems were reasonably accessible to geographies and individuals of different income levels.

### **Description of Institution's Operations in New Jersey**

The State of New Jersey represents VNB's smallest rating area out of four rating areas, with 0.6 percent of bank-wide deposits. As of December 31, 2021, the bank delineated one AA within the State of New Jersey, the Allentown-Bethlehem-Easton, PA-NJ MSA (Allentown MSA). The Allentown MSA consists of Warren County in NJ. The AA meets the requirements of the regulation and does not arbitrarily exclude any LMI CTs. VNB offers a full range of loan and deposit products and services through the three full-service branches and three deposit-taking ATMs located in the AA.

According to the June 30, 2021 FDIC Market Share Report, VNB held \$200.9 million in deposits in the Allentown MSA, ranking sixth out of ten institutions in the AA and representing 6.6 percent deposit market share. The top five depository institutions in the AA by market share are PNC Bank (33.9 percent), Wells Fargo Bank (12.3 percent), First Hope Bank (10.7 percent), Bank of America (10.1 percent), and Fulton Bank (8.2 percent). These competitors have deposits totaling \$2.4 billion, representing 77.4 percent of total deposit market share.

During the evaluation period, VNB originated 152 home mortgage and 187 small business loans in the AA, representing 1.0 percent and 0.7 percent of its total bank-wide home mortgage and small business loans, respectively. Volume of home mortgage and small business loans in this AA accounted for 1.1 percent and 0.2 percent of VNB's total bank-wide home mortgage and small business loans, respectively.

Based on the 2015 ACS, 15.6 percent of families in the AA are low-income and 15.5 percent are moderate-income. The median family income of Allentown MSA is \$71,539, meaning low-income families made \$35,770 or less and moderate-income families made \$57,231 or less per year. The median housing value is \$248,195 and the median gross rent is \$1,027. One method to determine housing affordability assumes a maximum affordable monthly principal and interest payment of no more than 30.0 percent of the applicant's income. The calculated maximum affordable monthly mortgage payment is \$894 for low-income borrowers. Assuming a 30-year mortgage with a 5.0 percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the MSA median housing value would be \$1,332. Low-income borrowers in this AA would be challenged to afford a mortgage loan or rent in the AA given the relative high cost of housing.

The poverty level across the AA was considered in the evaluation of lending performance. Families living below the poverty level are identified as having difficulty meeting basic financial needs and, as such, are less likely to have the financial wherewithal to qualify for a home loan than those with income above the poverty level. The 2020 national poverty rate was 11.4 percent, compared to the AA's poverty rate of 5.8 percent.

The Bureau of Labor Statistics reports that the unemployment rate for Warren County changed significantly over the review period, as was expected given the pandemic. The unemployment rate was 3.0 percent as of December 31, 2018 and peaked at 14.3 percent in April 2020. The unemployment rate hovered around 6.0 percent from September 2020 to August 2021 before rebounding to 3.6 percent at year-end 2021. Based on Moody's Analytics, key economic drivers for the Allentown MSA are medical centers and manufacturing. The leading industries in the area are education and health services, professional and business services, government, and manufacturing. The top employers in the MSA are Lehigh Valley Health Network, St. Luke's University Health Network, Sands Networks Gaming, LLC, and Giant Food Stores. The Moody's report notes that the MSA's metro area is closer to a full recovery than all its in-state peers and the unemployment rate is quickly approaching its pre-pandemic level.

We utilized two community contacts in this AA. The first contact was an organization that provides programs and services to support education, employment, financial capacity building, health and nutrition, housing and community development, and volunteerism for low-income individuals and families. The second contact was an organization that focuses on education, health, and financial stability. The contacts shared that there is strong need for financial literacy outreach related to savings, homeownership, vehicles, and strategies to become financially self-sufficient. The contacts also highlighted the importance of low- or no-cost fee deposit accounts for LMI individuals and low-cost loans to LMI individuals and those with less than satisfactory credit scores.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Allentown MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	23	0.0	13.0	34.8	52.2	0.0
Population by Geography	107,226	0.0	10.4	33.2	56.4	0.0
Housing Units by Geography	45,266	0.0	12.4	34.0	53.6	0.0
Owner-Occupied Units by Geography	30,111	0.0	7.8	29.5	62.7	0.0
Occupied Rental Units by Geography	11,556	0.0	20.3	46.0	33.7	0.0
Vacant Units by Geography	3,599	0.0	25.5	33.2	41.3	0.0
Businesses by Geography	10,188	0.0	8.9	32.6	58.5	0.0
Farms by Geography	580	0.0	2.6	27.1	70.3	0.0
Family Distribution by Income Level	28,860	15.6	15.5	19.1	49.8	0.0
Household Distribution by Income Level	41,667	18.0	14.2	18.3	49.5	0.0
Median Family Income MSA - 10900 Allentown-Bethlehem-Easton, PA-NJ MSA		\$71,539	Median Housing Value			\$248,195
			Median Gross Rent			\$1,027
			Families Below Poverty Level			5.8%
Source: 2015 ACS and 2021 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 Jersey

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

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

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NEW JERSEY

### LENDING TEST

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

### Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank's performance in the Allentown MSA is good.

## Lending Activity

Lending levels reflect good responsiveness to AA credit needs.

Number of Loans*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State Loans	%State Deposits
Allentown MSA	152	187	0	2	246	100.0	100.0

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

Dollar Volume of Loans*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State* Loans	%State Deposits
Allentown MSA	\$86,189	\$7,493	\$0	\$8,142	101,824	100.0	100.0

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

According to June 30, 2021, FDIC Summary of Deposit Report, VNB had \$200.8 million in deposits in the Allentown MSA. VNB had a 6.6 percent deposit market share. VNB's deposit market share ranked sixth out of 10 deposit taking institutions. VNB's deposit market share ranked in the top 60.0 percent.

According to 2020 peer mortgage data, VNB had a 0.7 percent market share of HMDA loan originations. VNB's loan market share was weaker than its deposit market share. VNB's loan market share ranked 28<sup>th</sup> out of 307 HMDA lenders. The bank's market share ranking was in the top 9.1 percent of all HMDA lenders. VNB's market share ranking HMDA loan originations was stronger than its deposit market share ranking.

According to 2020 peer small business data, VNB had a 3.0 percent market share of small business loan originations. VNB's small business loan origination market share was below its deposit market share. VNB's small business loan origination market share ranked 10<sup>th</sup> out of 90 small business lenders. VNB's small business loan origination market share ranked in the top 11.1 percent of all small business lenders. The bank's small business loan origination market share ranking was stronger than its deposit market share ranking.

## Distribution of Loans by Income Level of the Geography

The bank exhibits poor geographic distribution of loans in its AA.

### *Home Mortgage Loans*

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

The bank's geographical distribution of home mortgages is very poor. The percentage of bank home mortgage loans in moderate-income CTs was significantly below the percentage of owner-occupied housing and the aggregate industry distribution of home mortgage loans to those geographies.

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

Refer to Table Q in the state of New Jersey section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

The bank geographical distribution of small loans to businesses is poor. The proportion of bank loans in moderate-income geographies is well below the percentage of businesses and the aggregate industry distribution of loans in those geographies.

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

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

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

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

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

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

When determining our ratings in the state of New Jersey, we considered the relatively high housing costs compared to low-income family income. The relatively high housing costs compared to low-income family income somewhat impacts a low-income borrowers ability to qualify for a home mortgage. Therefore, for low-income borrower distribution, greater significance was placed on performance compared to the aggregate distribution of home mortgage loans.

The borrower distribution of home mortgage loans is good. The proportion of bank home mortgage loans to low-income borrowers was significantly below the percentage of low-income families and exceeded the aggregate industry distribution of home mortgage loans to those borrowers. The proportion of bank home mortgage loans to moderate-income borrowers was near to the percentage of moderate-income families and exceeded the aggregate industry distribution of home mortgage loans to those borrowers.

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

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



The borrower distribution of small loans to businesses is good. The proportion of VNB's small loans to businesses was below the percentage of those businesses with revenues of \$1 million or less and exceeded the aggregate industry distribution of small loans to those businesses.

### **Community Development Lending**

The institution is a leader in making CD loans. CD lending had a significantly positive impact on the Lending Test rating in the state of New Jersey.

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

VNB had an excellent level of CD loans. VNB originated two CD loans totaling 8.1 million. The volume of CD loans was equivalent to 31.4 percent of allocated tier 1 capital. CD loans were responsive to affordable housing needs in the AA. Both loans supported affordable housing projects in the bank's AA.

#### Statewide

VNB made 11 CD loans totaling \$26.5 million. CD loans benefitted the statewide area and were not inside a VNB AA. Statewide loans focused on affordable housing, economic development, and revitalization.

### **Product Innovation and Flexibility**

The institution makes extensive use of innovative and/or flexible lending practices in order to serve AA credit needs to both consumers and small business owners. Refer to the "Overall CRA Rating" section for additional details regarding home mortgage and small business lending programs. During the evaluation period, VNB participated in the following programs in New Jersey:

- Community Advantage Home Mortgage – originated two loans totaling \$344,900;
- FHA Home Mortgage – originated two loans totaling \$457,785;
- FHLB NY SBRG – originated one loan totaling \$10,000;
- Habitat for Humanity Loan Servicing – serviced 21 loans totaling \$2.0 million; and
- Veteran Administration Home Mortgage – originated three loans totaling \$1.1 million.

### **INVESTMENT TEST**

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

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

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

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

The institution exhibits excellent responsiveness to credit and community economic development needs. The institution makes significant use of innovative and/or complex investments to support CD initiatives.

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Allentown MSA	1	\$19	18	\$2,101	19	100.0	\$2,120	100.0	0	\$0

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

VNB had 19 qualified CD investments and grants totaling \$2.1 million. CD investments and grants represented 8.2 percent of allocated tier 1 capital. During the evaluation period, the bank made 18 CD investments and grants totaling \$2.1 million. Additionally, the AA benefited from the ongoing impact of one prior period qualified investment totaling \$19,000. VNB's CD investments were responsive to affordable housing within the AA.

Examples of CD investments include:

- VNB invested \$768,000 in MBS backed by 15 single-family loans located in low- or moderate-income CTs.
- VNB donated \$184,000 to the state's Neighborhood Revitalization Tax Credit (NRTC) Program, which positively impacts communities throughout NJ by investing in nonprofits with approved neighborhood plans. The program provides investors with an incentive to provide equity to nonprofit entities carrying out comprehensive revitalization plans. The bank's funds support the ongoing program to revitalize a neighborhood in Phillipsburg, NJ.
- VNB donated \$35,000 to a community action program that strengthens communities by creating opportunities that improve the lives of low-income individuals and families. The organization supports education, employment, financial empowerment, health and nutrition, housing and CD, and volunteerism and civic engagement. Primarily serves individuals with income up to 200.0 percent of the federal poverty level.

## SERVICE TEST

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

## Conclusions for Area Receiving a Full-Scope Review

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

## Retail Banking Services

Distribution of Branch Delivery System											
Assessment Area	Deposits	Branches						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				% of Population within Each Geography			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Allentown MSA	100.0	3	100.0	0.0	0.0	33.3	66.7	0.0	10.4	33.2	56.4

Service delivery systems were reasonably accessible to geographies and individuals of different income levels in the institution's AA. There were no low-income geographies within the bank's AA. The bank did not have any branches in moderate-income geographies, however, only 10.4 percent of the population live within these geographies.

VNB had several alternative delivery systems including ATMs, telephone and internet banking, remote deposit capture, Zelle®, online account opening, drive-in and night deposit services, and safe deposit facilities. These systems provided additional delivery availability and access to banking services to both retail and business customers. VNB had three deposit-taking ATMs in the AA, none located in moderate-income geographies. The bank offered innovative and flexible deposit products and retail services, such as the Valley Journey, Valley Milestone, Valley My Choice, and Valley Nonprofit Organization checking accounts, which were effective in helping address community needs. The bank did not provide any data regarding LMI persons usage of the alternative delivery systems, therefore we did not assign any weight to alternative delivery systems when determining Service Test conclusions.

Distribution of Branch Openings/Closings						
Assessment Area	Branch Openings/Closings					
	# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)			
			Low	Mod	Mid	Upp
Allentown MSA	0	0	0	0	0	0

VNB did not open or close any branches in this AA.

Services, including where appropriate, business hours, did not vary in a way that inconvenienced the various portions of its AA(s), particularly low- and moderate-income geographies and/or individuals. All three branches were open Monday through Friday from 9:00 am to 4:00 pm and on Saturday from 9:00 am to Noon. All branches had drive-up facilities that were open Monday through Friday from 8:00 am to 5:00 pm and on Saturday from 9:00 am until noon.

## Community Development Services

The institution provided an adequate level of CD services.

Two VNB employees held leadership positions as board or committee members to two CD organizations in the AA, accounting for 135 hours during the evaluation period. Thirteen VNB employees were involved in 48 events that provided over 84 hours of service to five CD organizations assisting 331 participants during the evaluation period. The organizations focused on affordable housing; including home ownership education; economic development, including technical assistance to small businesses; and community services, including financial education to LMI individuals.

Examples of qualified CD service activity in this AA include:

- A VNB relationship manager provided 101 service hours as a committee member of a local advisory council focused on community services for older adults, most of whom were low- or moderate-income. Services provided included information and referral, case management, nutrition counselling, home-delivered meals, legal assistance, and guiding the elderly to needed services, as well as assisting them with applications for benefits.
- A VNB market manager provided 34 service hours as a board member of non-profit community services organization. The organization's mission was to strengthen communities by creating opportunities that improve the lives of low-income individuals and families. Programs and services generally fell into six categories of support: education; employment; financial capacity building; health and nutrition; housing and community development; and volunteerism.

## 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.”

<b>Time Period Reviewed:</b>	1/1/2019 – 12/31/2021	
<b>Bank Products Reviewed:</b>	Home mortgage and small business loans Community development loans, community development investments and grants, community development services	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
N/A	N/A	N/A
<b>List of Assessment Areas and Type of Examination</b>		
<b>Rating and Assessment Areas</b>	<b>Type of Exam</b>	<b>Other Information</b>
<b>MMSA</b>		<b>Counties</b>
New York -New Jersey MMSA	Full-scope	Bergen, Essex, Hudson, Kings, Middlesex, Monmouth, Morris, Nassau, New York, Passaic, Queens, Somerset, Suffolk, Sussex, and Union
<b>Alabama</b>		
Alabama Non-MSA	Full-scope	Tallapoosa
Auburn MSA	Limited-scope	Lee
Birmingham MSA	Limited-scope	Jefferson, Shelby, and St. Clair
Montgomery MSA	Full-scope	Elmore and Montgomery
<b>Florida</b>		
Cape Coral CSA	Full-scope	Collier and Lee
Jacksonville MSA	Limited-scope	Duval and St. Johns
Miami CSA	Full-scope	Broward, Indian River, Miami Dade, and Palm Beach
North Port MSA	Limited-scope	Sarasota
Orlando CSA	Limited-scope	Orange, Polk, and Seminole
Palm Bay MSA	Limited-scope	Brevard
Tampa MSA	Full-scope	Hillsborough and Pinellas
<b>New Jersey</b>		
Allentown MSA	Full-scope	Warren

## Appendix B: Summary of MMSA and State Ratings

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

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

## Appendix C: Definitions and Common Abbreviations

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

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

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

**Census Tract (CT):** A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. 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 §1003.2 of this title, and that is not an excluded transaction under §1003.3(c)(1) through (10) and (13) of this title.

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

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

**MMSA (state):** Any multistate metropolitan statistical area or multistate combined statistical area, as defined by the Office of Management and Budget.

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

**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 loans are treated the same as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30<sup>th</sup> of each year. Tables without data are not included in this PE.

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

- Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.
- Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.
- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.
- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.
- Table 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. 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 <span style="float: right;">2019-21</span>																			
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
NY-NJ MMSA	11,155	5,780,022	100.0	462,909	2.6	2.7	2.9	13.1	10.6	11.1	40.2	30.8	37.6	44.1	55.9	48.3	0.1	0.1	0.1
<b>Total</b>	<b>11,155</b>	<b>5,780,022</b>	<b>100.0</b>	<b>462,909</b>	<b>2.6</b>	<b>2.7</b>	<b>2.9</b>	<b>13.1</b>	<b>10.6</b>	<b>11.1</b>	<b>40.2</b>	<b>30.8</b>	<b>37.6</b>	<b>44.1</b>	<b>55.9</b>	<b>48.3</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>
Source: 2015 ACS Census; 01/01/2019 - 01/31/2021 Bank Data, 2020 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																			2019-21
	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
Assessment Area:	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
NY-NJ MMSA	11,155	5,780,022	100.0	462,909	24.6	3.4	2.6	15.7	14.8	11.9	17.5	21.3	20.2	42.2	54.4	48.4	0.0	6.1	16.9
Total	11,155	5,780,022	100.0	462,909	24.6	3.4	2.6	15.7	14.8	11.9	17.5	21.3	20.2	42.2	54.4	48.4	0.0	6.1	16.9
Source: 2015 ACS Census ; 01/01/2019 - 01/31/2021 Bank Data, 2020 HMDA Aggregate Data Due to rounding, totals may not equal 100.0%																			

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2019-21
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
NY-NJ MMSA	18,415	1,956,752	100.0	599,386	6.6	5.2	5.6	17.2	11.2	15.4	31.4	28.3	31.2	43.5	54.4	46.5	1.3	0.9	1.4
Total	18,415	1,956,752	100.0	599,386	6.6	5.2	5.6	17.2	11.2	15.4	31.4	28.3	31.2	43.5	54.4	46.5	1.3	0.9	1.4
Source: 2021 D&B Data; 01/01/2019 - 01/31/2021 Bank Data; 2020 CRA Aggregate Data Due to rounding, totals may not equal 100.0%																			

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2019-21
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
NY-NJ MMSA	18,415	1,956,752	100.0	599,386	91.1	47.8	35.3	3.7	29.8	5.2	22.5
<b>Total</b>	<b>18,415</b>	<b>1,956,752</b>	<b>100.0</b>	<b>599,386</b>	<b>91.1</b>	<b>47.8</b>	<b>35.3</b>	<b>3.7</b>	<b>29.8</b>	<b>5.2</b>	<b>22.5</b>
Source: 2021 D&B Data; 01/01/2019 - 01/31/2021 Bank Data; 2020 CRA Aggregate Data Due to rounding, totals may not equal 100.0%											



**Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** **2019-21**

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
Alabama Non-MSA	59	7,756	19.9	1,880	0.0	0.0	0.0	11.3	8.5	4.6	51.4	64.4	31.8	37.3	27.1	63.6	0.0	0.0	0.0
Auburn MSA	43	10,203	14.5	8,920	1.8	0.0	0.3	12.5	20.9	12.5	70.9	60.5	70.1	14.3	18.6	16.3	0.5	0.0	0.8
Birmingham MSA	96	23,013	32.4	53,095	5.8	0.0	1.3	17.7	5.2	8.1	33.4	37.5	28.5	43.1	57.3	62.1	0.0	0.0	0.0
Montgomery MSA	98	17,466	33.1	12,231	7.4	1.0	1.0	17.9	9.2	7.1	37.8	27.6	33.6	36.8	62.2	58.1	0.0	0.0	0.1
<b>Total</b>	<b>296</b>	<b>58,438</b>	<b>100.0</b>	<b>76,126</b>	<b>5.6</b>	<b>0.3</b>	<b>1.1</b>	<b>17.1</b>	<b>9.5</b>	<b>8.4</b>	<b>38.3</b>	<b>42.9</b>	<b>34.3</b>	<b>39.0</b>	<b>47.3</b>	<b>56.1</b>	<b>0.1</b>	<b>0.0</b>	<b>0.1</b>

Source: 2015 ACS Census; 01/01/2019 - 01/31/2021 Bank Data, 2020 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																			2019-21
	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
Assessment Area:	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Alabama Non-MSA	59	7,756	19.9	1,880	22.0	5.1	2.3	15.6	15.3	7.2	16.9	18.6	11.9	45.5	52.5	65.9	0.0	8.5	12.7
Auburn MSA	43	10,203	14.5	8,920	24.8	16.3	5.3	15.2	23.3	16.3	18.6	20.9	20.4	41.4	34.9	38.5	0.0	4.7	19.5
Birmingham MSA	96	23,013	32.4	53,095	23.1	6.3	4.4	15.0	12.5	14.5	18.1	12.5	19.1	43.8	61.5	43.7	0.0	7.3	18.3
Montgomery MSA	98	17,466	33.1	12,231	25.3	10.2	4.5	15.7	20.4	14.3	17.9	17.3	17.4	41.0	38.8	36.7	0.0	13.3	27.1
Total	296	58,438	100.0	76,126	23.7	8.8	4.5	15.2	17.2	14.5	18.1	16.6	18.8	43.0	48.3	42.5	0.0	9.1	19.7
Source: 2015 ACS Census ; 01/01/2019 - 01/31/2021 Bank Data, 2020 HMDA Aggregate Data Due to rounding, totals may not equal 100.0%																			

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2019-21
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
Alabama Non-MSA	200	12,276	21.6	589	0.0	0.0	0.0	14.2	14.5	10.4	58.6	78.5	57.0	27.2	7.0	32.6	0.0	0.0	0.0
Auburn MSA	41	3,662	4.4	2,991	1.5	2.4	1.0	32.3	53.7	28.7	53.4	29.3	55.1	11.6	14.6	14.4	1.1	0.0	0.8
Birmingham MSA	349	30,325	37.6	25,157	7.6	6.0	7.5	20.2	20.6	16.7	27.2	32.7	24.8	43.6	39.5	49.9	1.4	1.1	1.1
Montgomery MSA	338	30,520	36.4	6,122	8.0	9.2	8.2	17.4	18.6	15.6	36.5	29.0	32.6	33.6	39.9	39.9	4.5	3.3	3.8
Total	928	76,783	100.0	34,859	7.0	5.7	6.9	20.5	20.0	17.4	32.0	41.1	29.3	38.5	31.6	44.8	2.0	1.6	1.5
Source: 2021 D&B Data; 01/01/2019 - 01/31/2021 Bank Data; 2020 CRA Aggregate Data Due to rounding, totals may not equal 100.0%																			

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2019-21
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
Alabama Non-MSA	200	12,276	21.6	589	82.8	47.0	34.3	4.2	21.0	13.0	32.0
Auburn MSA	41	3,662	4.4	2,991	84.0	65.9	37.3	4.1	17.1	11.9	17.1
Birmingham MSA	349	30,325	37.6	25,157	83.5	50.7	37.8	5.5	26.1	10.9	23.2
Montgomery MSA	338	30,520	36.4	6,122	80.6	54.1	37.0	5.2	24.6	14.2	21.3
<b>Total</b>	<b>928</b>	<b>76,783</b>	<b>100.0</b>	<b>34,859</b>	<b>83.0</b>	<b>51.8</b>	<b>37.6</b>	<b>5.3</b>	<b>24.0</b>	<b>11.7</b>	<b>24.1</b>
Source: 2021 D&B Data; 01/01/2019 - 01/31/2021 Bank Data; 2020 CRA Aggregate Data Due to rounding, totals may not equal 100.0%											

**Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** **2019-21**

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
Cape Coral CSA	579	244,684	16.7	70,571	2.1	1.0	1.4	17.8	19.3	16.5	43.2	35.1	43.4	36.9	44.6	38.6	0.0	0.0	0.1
Jacksonville MSA	85	72,493	2.5	74,370	4.5	3.5	1.5	20.4	17.6	13.5	35.5	25.9	32.7	39.7	52.9	52.4	0.0	0.0	0.0
Miami CSA	1,100	590,948	31.7	240,970	2.6	10.7	1.8	22.8	20.7	17.8	33.6	23.2	33.6	40.9	45.2	46.5	0.1	0.2	0.3
North Port MSA	74	60,597	2.1	27,179	0.5	0.0	0.2	16.1	12.2	11.9	55.9	35.1	53.8	27.6	52.7	34.2	0.0	0.0	0.0
Orlando CSA	258	158,707	7.4	129,091	1.1	4.3	0.6	18.0	12.4	12.9	41.4	27.9	41.7	39.5	55.4	44.8	0.0	0.0	0.0
Palm Bay MSA	229	69,442	6.6	37,227	1.6	0.0	0.7	21.1	87.3	17.8	43.5	7.9	42.1	33.8	4.8	39.4	0.0	0.0	0.0
Tampa MSA	1,144	726,769	33.0	128,176	2.5	4.3	2.1	16.0	8.4	12.7	39.5	25.0	35.7	42.0	62.3	49.4	0.1	0.0	0.1
<b>Total</b>	<b>3,469</b>	<b>1,923,640</b>	<b>100.0</b>	<b>707,584</b>	<b>2.3</b>	<b>5.4</b>	<b>1.4</b>	<b>19.9</b>	<b>19.9</b>	<b>15.2</b>	<b>38.2</b>	<b>25.4</b>	<b>37.6</b>	<b>39.5</b>	<b>49.2</b>	<b>45.7</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>

Source: 2015 ACS Census; 01/01/2019 - 01/31/2021 Bank Data, 2020 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** **2019-21**

	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
Assessment Area:	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Cape Coral CSA	579	244,684	16.7	70,571	20.8	3.1	3.5	18.2	23.8	14.3	19.5	13.5	19.2	41.5	57.7	47.0	0.0	1.9	16.0
Jacksonville MSA	85	72,493	2.6	74,370	22.7	5.7	4.5	17.0	11.4	13.9	19.5	9.1	18.4	40.7	55.7	39.7	0.0	18.2	23.6
Miami CSA	1,100	590,948	31.7	240,970	23.1	3.2	2.2	17.0	13.8	10.3	17.7	13.0	18.3	42.2	62.3	51.5	0.0	7.7	17.7
North Port MSA	74	60,597	2.1	27,179	17.5	--	5.6	19.2	12.2	16.4	21.9	12.2	20.6	41.4	63.5	43.4	0.0	12.2	14.0
Orlando CSA	258	158,707	7.4	129,091	20.9	6.2	2.6	17.4	9.3	12.4	19.4	10.1	19.8	42.3	53.5	45.5	0.0	20.9	19.6
Palm Bay MSA	229	69,442	6.6	37,227	20.2	21.8	4.4	18.6	27.5	13.6	20.6	22.7	18.6	40.6	23.1	40.9	0.0	4.8	22.5
Tampa MSA	1,144	726,769	33.0	128,176	21.2	2.0	3.0	17.0	7.2	13.4	18.4	7.2	18.7	43.4	67.2	44.8	0.0	16.4	20.1
<b>Total</b>	<b>3,469</b>	<b>1,923,640</b>	<b>100.0</b>	<b>707,584</b>	<b>21.9</b>	<b>4.2</b>	<b>3.1</b>	<b>17.3</b>	<b>13.8</b>	<b>12.5</b>	<b>18.7</b>	<b>11.5</b>	<b>18.8</b>	<b>42.1</b>	<b>59.7</b>	<b>46.6</b>	<b>0.0</b>	<b>10.8</b>	<b>19.0</b>

Source: 2015 ACS Census ; 01/01/2019 - 01/31/2021 Bank Data, 2020 HMDA Aggregate Data  
 Due to rounding, totals may not equal 100.0%

**Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** **2019-21**

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
Cape Coral CSA	455	46,360	5.4	39,652	2.9	2.4	2.6	19.6	13.4	18.1	39.8	34.7	39.9	37.7	49.5	39.4	0.1	0.0	0.0
Jacksonville MSA	524	75,935	6.2	33,993	5.1	1.3	4.8	22.1	23.5	20.8	30.7	29.6	28.5	42.0	45.6	46.0	0.0	0.0	0.0
Miami CSA	2,918	337,943	34.4	318,009	4.2	6.9	4.6	22.1	22.5	22.2	28.6	26.0	27.5	43.9	43.0	44.4	1.2	1.6	1.3
North Port MSA	108	11,761	1.3	17,305	0.6	0.9	0.5	19.4	23.1	18.4	45.9	33.3	44.5	34.2	42.6	36.6	0.0	0.0	0.0
Orlando CSA	988	137,525	11.6	76,664	1.9	0.3	1.7	22.8	20.9	21.8	36.3	31.2	35.8	39.0	47.7	40.7	0.0	0.0	0.0
Palm Bay MSA	87	10,413	1.0	15,148	2.7	3.4	2.4	23.2	32.2	24.1	39.0	42.5	38.5	35.0	21.8	35.0	0.1	0.0	0.0
Tampa MSA	3,401	465,945	40.1	81,707	5.0	9.8	5.6	17.9	19.8	18.1	33.7	27.8	34.3	43.1	42.3	41.7	0.3	0.3	0.3
<b>Total</b>	<b>8,481</b>	<b>1,085,882</b>	<b>100.0</b>	<b>582,478</b>	<b>3.8</b>	<b>6.6</b>	<b>4.1</b>	<b>21.4</b>	<b>20.9</b>	<b>21.1</b>	<b>32.1</b>	<b>28.3</b>	<b>31.2</b>	<b>42.0</b>	<b>43.6</b>	<b>42.8</b>	<b>0.7</b>	<b>0.7</b>	<b>0.7</b>

Source: 2021 D&B Data; 01/01/2019 - 01/31/2021 Bank Data; 2020 CRA Aggregate Data  
Due to rounding, totals may not equal 100.0%

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2019-21
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
Cape Coral CSA	455	46,360	5.4	39,652	93.3	50.8	40.1	2.0	26.8	4.7	22.4
Jacksonville MSA	524	75,935	6.2	33,993	92.1	45.2	38.4	2.3	37.0	5.6	17.7
Miami CSA	2,918	337,943	34.4	318,009	94.4	46.7	39.8	1.9	27.5	3.7	25.9
North Port MSA	108	11,761	1.3	17,305	93.2	47.2	43.2	2.1	25.0	4.7	27.8
Orlando CSA	988	137,525	11.6	76,664	93.0	44.6	40.8	2.0	32.5	5.0	22.9
Palm Bay MSA	87	10,413	1.0	15,148	92.1	50.6	44.0	2.2	12.6	5.7	36.8
Tampa MSA	3,401	465,945	40.1	81,707	92.7	47.4	40.8	2.3	32.7	5.0	20.0
<b>Total</b>	<b>8,481</b>	<b>1,085,882</b>	<b>100.0</b>	<b>582,478</b>	<b>93.6</b>	<b>46.9</b>	<b>40.2</b>	<b>2.0</b>	<b>30.5</b>	<b>4.4</b>	<b>22.6</b>
Source: 2021 D&B Data; 01/01/2019 - 01/31/2021 Bank Data; 2020 CRA Aggregate Data Due to rounding, totals may not equal 100.0%											



**Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** **2019-21**

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
Allentown MSA	152	86,189	100.0	5,429	0.0	0.0	0.0	7.8	0.7	5.4	29.5	30.9	28.3	62.7	68.4	66.3	0.0	0.0	0.0
<b>Total</b>	<b>152</b>	<b>86,189</b>	<b>100.0</b>	<b>5,429</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>7.8</b>	<b>0.7</b>	<b>5.4</b>	<b>29.5</b>	<b>30.9</b>	<b>28.3</b>	<b>62.7</b>	<b>68.4</b>	<b>66.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Source: 2015 ACS Census; 01/01/2019 - 01/31/2021 Bank Data, 2020 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2019-21
	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
Assessment Area:	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Allentown MSA	152	86,189	100.0	5,429	15.6	5.3	2.3	15.5	13.8	12.5	19.1	22.4	22.5	49.8	54.6	40.5	0.0	3.9	22.3
Total	152	86,189	100.0	5,429	15.6	5.3	2.3	15.5	13.8	12.5	19.1	22.4	22.5	49.8	54.6	40.5	0.0	3.9	22.3
Source: 2015 ACS Census ; 01/01/2019 - 01/31/2021 Bank Data, 2020 HMDA Aggregate Data Due to rounding, totals may not equal 100.0%																			

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2019-21
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
Allentown MSA	187	7,493	100.0	2,966	0.0	0.0	0.0	8.9	3.7	7.6	32.6	32.6	32.1	58.5	63.6	60.3	0.0	0.0	0.0
Total	187	7,493	100.0	2,966	0.0	0.0	0.0	8.9	3.7	7.6	32.6	32.6	32.1	58.5	63.6	60.3	0.0	0.0	0.0
Source: 2021 D&B Data; 01/01/2019 - 01/31/2021 Bank Data; 2020 CRA Aggregate Data Due to rounding, totals may not equal 100.0%																			

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2019-21
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
Allentown MSA	187	7,493	100.0	2,966	89.6	59.9	41.2	3.4	21.4	6.9	18.7
<b>Total</b>	<b>187</b>	<b>7,493</b>	<b>100.0</b>	<b>2,966</b>	<b>89.6</b>	<b>59.9</b>	<b>41.2</b>	<b>3.4</b>	<b>21.4</b>	<b>6.9</b>	<b>18.7</b>
Source: 2021 D&B Data; 01/01/2019 - 01/31/2021 Bank Data; 2020 CRA Aggregate Data Due to rounding, totals may not equal 100.0%											