



Office of the  
Comptroller of the Currency  
Washington, DC 20219

# INTERMEDIATE SMALL BANK

## PUBLIC DISCLOSURE

May 22, 2018

### COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Connecticut Community Bank, National Association  
Charter Number 23664

605 West Avenue, Norwalk, CT 06850-4000

Office of the Comptroller of the Currency

340 Madison Avenue, 4th Floor, New York, NY 10017-2613

**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.

## Table of Contents

<b>OVERALL CRA RATING .....</b>	<b>3</b>
<b>DEFINITIONS AND COMMON ABBREVIATIONS .....</b>	<b>4</b>
<b>DESCRIPTION OF INSTITUTION .....</b>	<b>8</b>
<b>SCOPE OF THE EVALUATION.....</b>	<b>10</b>
<b>DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW .....</b>	<b>11</b>
<b>CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS.....</b>	<b>12</b>
<b>LENDING TEST .....</b>	<b>12</b>
<b>COMMUNITY DEVELOPMENT TEST.....</b>	<b>17</b>
<b>APPENDIX A: SCOPE OF EVALUATION.....</b>	<b>APPENDIX A-1</b>
<b>APPENDIX B: COMMUNITY PROFILES FOR FULL-SCOPE AREAS....</b>	<b>APPENDIX B-1</b>

## Overall CRA Rating

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

The Community Development Test is rated: **Satisfactory**.

- Connecticut Community Bank's quarterly average net loan-to-deposit (LTD) ratio is reasonable given the bank's size, financial condition, and assessment area credit needs;
- Connecticut Community Bank originated a majority of its business loans inside its Fairfield and Hartford assessment areas;
- Connecticut Community Bank's distribution of business loans reflects reasonable penetration to businesses of different sizes;
- Connecticut Community Bank's geographic distribution of business loans reflects excellent dispersion throughout geographies of various incomes; and
- Connecticut Community Bank's responsiveness to community development (CD) needs and opportunities in its Fairfield and Hartford assessment areas is adequate, considering its capacity and the opportunities available in the assessment areas.

## Definitions and Common Abbreviations

The following terms and abbreviations are used throughout 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. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Aggregate Lending:** The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

**Census Tract:** A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts generally have a population between 1,200 and 8,000 people, with an optimal size of 4,000 people. Their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

**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; activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas; or loans, investments, and services that support, enable or facilitate projects or activities under HUD Neighborhood Stabilization Program criteria that benefit low-, moderate-, and middle-income individuals and geographies in the bank's assessment area(s) or outside the assessment area(s) provided the bank has adequately addressed the community development needs of its assessment area(s).

**Community Reinvestment Act (CRA):** the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, 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, home equity 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 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, loan pricing, the lien status of the collateral, any requests for preapproval, and loans for manufactured housing).

**Home Mortgage Loans:** Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

**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 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 income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

**Market Share:** The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/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. 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 it and half below it.

**Metropolitan Area (MA):** Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget, and any other area designated as such by the appropriate federal financial supervisory agency.

**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.

**Other Products:** Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA evaluation. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

**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.

**Rated Area:** A rated area is a state or multi-state metropolitan 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 area, the institution will receive a rating for the multi-state metropolitan 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 One 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.

## Description of Institution

Connecticut Community Bank (“CCB” or the “bank”) is a full-service community bank, which is headquartered in Norwalk, Connecticut and is wholly owned by Associated Community Bancorp, Inc. There are currently no financial or legal impediments hindering the bank’s ability to meet the credit needs of its assessment area. The previous CRA evaluation, as of May 18, 2015, assigned an overall “Satisfactory” rating.

CCB primarily operates in Fairfield and Hartford counties in Connecticut. CCB maintains eight branch locations with onsite ATMs across these two counties. CCB maintains three branches in Greenwich, two branches in Westport, and one branch in each Darien, Norwalk, and Stamford. CCB’s affiliate, InsurBanc, maintains its main office location in Hartford, Connecticut. CCB’s headquarters office is located in a lower-income census tract in Norwalk, Connecticut and has regular business hours Monday through Friday with limited hours on Saturday. All of the branches have regular business hours Monday through Friday with limited hours on Saturday with the exception of the Glenville Road branch in Greenwich and the Stamford branch. These branches do not have Saturday hours.

CCB closed one branch located at 22 Railroad Avenue in Greenwich, Connecticut during our evaluation period. The branch, which was located in an upper-income census tract, was closed after management determined that Greenwich’s other three branch locations were sufficient to service customers in the area. The branch, which was originally opened in March 2007, was closed in December 2016.

One of CCB’s nine branches is located in a low-income census tract and one branch is located in a moderate-income census tract. CCB maintains one branch in a middle-income census tract and six branches in upper-income census tracts.

As of March 31, 2018, CCB reported \$459.2 million in total assets, \$328.9 million in net loans, \$413.6 million in total deposits, and \$44.4 million in Tier 1 capital. Net loans comprise 72 percent of total assets. The loan portfolio mix at March 31, 2018, is as follows:

- Commercial real estate: 55%
- Commercial & industrial: 31%
- 1-4 family residential real estate: 8%
- Multifamily: 4%
- Consumer & other: 2%

The bank offers a variety of traditional products and services. Personal and business deposit accounts are offered. CCB also offers direct deposit, wire transfer services, Visa debit cards, and online and mobile banking services. In terms of loan products, CCB focuses primarily on commercial real estate, serving small- and medium-sized businesses. The bank’s website offers limited internet-banking services and provides information on branch hours and bank products. Additional information on products and



services can be found in the bank's Public File, which is available by request at any branch location.

CCB operates in a highly competitive financial services market with competition from nationwide, large regional, and local financial institutions. According to the June 30, 2017 FDIC Summary of Deposits Market Share Report, CCB ranked 22<sup>nd</sup> out of 29 financial institutions operating in Fairfield County, Connecticut with a deposit market share of 0.61 percent. People's United Bank, N.A. is ranked 1<sup>st</sup> in the market area with a deposit market share of 23.7 percent and 58 branch locations. Other institutions operating in the market area include Bank of America, N.A. and Citibank, N.A. Bank of America, N.A. is ranked 2<sup>nd</sup> with a deposit market share of 14.7 percent and 47 locations. Citibank, N.A., meanwhile, is ranked 3<sup>rd</sup> with a deposit market share of 12.9 percent and 14 branch locations.

CCB's assessment area (AA) meets regulatory requirements and does not arbitrarily exclude low- or moderate-income geographies. CCB has two assessment areas. The bank's Fairfield AA is in the Bridgeport-Stamford-Norwalk Metropolitan Statistical Area (MSA) #14860. Meanwhile, the bank's Hartford AA is in the Hartford-West Hartford-East Hartford MSA #25540. Combined, the two assessment areas are comprised of 241 census tracts.

Noticing an increasing trend of lending outside their established AA, CCB expanded their Fairfield AA in June 2016 to include to the city of Bridgeport and removed the towns of New Canaan and Wilton. This change is appropriate and management provided a detailed analysis illustrating their rationale for the change. CCB does not have branch locations in either New Canaan or Wilton. Finally, the nine census tracts that comprise New Canaan and Wilton are all upper-income census tracts.

As part of the CRA performance evaluation, we contacted the President and Chief Executive Officer of a non-profit CD organization that predominantly serves low- and moderate-income individuals. The organization, which operates statewide, facilitates the development of affordable housing for low- and moderate-income individuals. The community contact stated that opportunities exist for financial institutions to participate in financing affordable housing projects across Connecticut. The community contact also stated that their organization has maintained a strong relationship with CCB for several years and cited specific examples of the bank's involvement in their programs facilitating affordable housing.

## **Scope of the Evaluation**

In evaluating the bank's performance under the CRA, we utilized Intermediate Small Bank Examination Procedures, which include a lending test and a CD test.

The lending test evaluates the bank's record of meeting the credit needs of their assessment area. The evaluation period for the lending test is January 1, 2015 through December 31, 2017. The bank offers both residential and commercial loan products. However, the bank's primary loan product remains business loans based upon originated loan volume during the evaluation period. Therefore, we only considered business loan products during this evaluation.

The CD test assesses the bank's record of meeting the credit needs of their assessment areas through CD lending, qualified investments, and CD services. We reviewed CD activities from May 19, 2015 through May 22, 2018.

## **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 assessment area by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Consumer Financial Protection Bureau, as applicable.

The OCC has not identified that this institution [or any affiliate whose loans have been considered as part of the institution's lending performance] 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.

## **Conclusions with Respect to Performance Tests**

### **LENDING TEST**

The bank's performance under the lending test in the Fairfield and Hartford County AAs is rated "Satisfactory."

- CCB's loan-to-deposit ratio is reasonable given the bank's size, financial condition, and assessment area credit needs;
- CCB originated a majority of its loans inside the AAs;
- The geographic distribution of loans reflects excellent dispersion within the AAs; and
- The distribution of loans also reflects reasonable penetration among businesses of different sizes throughout the AAs.

### **Loan-to-Deposit Ratio**

CCB's LTD ratio is reasonable given the institution's size, financial condition, and the credit needs of the AAs. The bank's net LTD ratio averaged 77.92 percent over the twelve quarters since the previous CRA evaluation. We noted a steadily increasing trend over those 12 quarters, as loan growth outpaced deposit growth. The quarterly low of 61.68 percent occurred in the first quarter of 2015. Meanwhile, the quarterly high of 90.20 percent occurred in the fourth quarter of 2017.

CCB's quarterly average LTD ratio across the evaluation period compares reasonably with those of similarly situated banks with similar asset sizes. We performed a peer analysis comparing CCB to six other similarly situated financial institutions operating in the same market area. CCB's LTD ratio of 77.92 percent ranked last out of the seven institutions, which, in aggregate, had an average LTD ratio of 96.40 percent. However, CCB's low LTD ratio relative to the rest of the institutions is skewed by the low LTD ratios in the beginning of the evaluation period where management slowed loan originations to focus on improving credit quality throughout the loan portfolio. Of the seven banks we compared, the highest average LTD ratio throughout the evaluation period was 111.73 percent and the lowest was CCB's 77.92 percent. The second lowest average LTD ratio was 85.43 percent.

### **Lending in Assessment Area**

CCB originated a majority of its loans inside the Fairfield and Hartford AAs and their performance is satisfactory. Referencing the table below, CCB originated 53.4 percent of loans inside the AAs by number. Meanwhile, they originated 45.7 percent of loans inside the AAs by dollar amount.

<b>Table 1 - Lending Inside and Outside the Fairfield &amp; Hartford AAs</b>										
Loan Category	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
Small Business Loans	#	%	#	%		\$	%	\$	%	
2015	97	52.7	87	47.3	184	23,510	46.4	27,140	53.6	50,650
2016	104	56.2	81	43.8	185	24,945	51.2	23,778	48.8	48,723
2017	91	51.1	87	48.9	178	19,387	39.5	29,692	60.5	49,079
Totals	292	53.4	255	46.6	547	67,842	45.7	80,610	54.3	148,452

Source: Loan sample.

### Lending to Businesses of Different Sizes

CCB's lending to business of different sizes is satisfactory. The distribution of loans to businesses of different incomes reflects reasonable penetration within the Fairfield and Hartford AAs. Small businesses are defined as businesses with annual gross revenues of \$1 million or less.

### Performance in the Fairfield AA

The distribution of loans reflects reasonable penetration among businesses of different sizes in the Fairfield AA throughout 2015 and 2016. CCB originated 41.89 percent of business loans by number and 32.93 percent of business loans by dollar amount to small businesses the Fairfield AA throughout 2015 and 2016. CCB's performance is reasonable compared to demographic data for the Fairfield AA. The data indicates that 87.11 percent of businesses in the AA are small businesses. While the bank's distribution of loans is lower than the percentage of small businesses in the AA, their performance is reasonable given the competitive market for business loans across the AA.

<b>Table 2A - Borrower Distribution of Loans to Businesses in the Fairfield AA (2015-2016)</b>			
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Total
% of AA Businesses	87.11%	12.89%	100%
% of Bank Loans in AA by #	41.89%	58.11%	100%
% of Bank Loans in AA by \$	32.93%	67.07%	100%

Source: Loan sample; Dun and Bradstreet data.

In 2017, CCB originated 48.39 percent of business loans by number and 51.61 percent of business loans by dollar amount to businesses in the Fairfield AA. Updated demographic data for 2017 indicates that 87.34 percent of the businesses in the AA are small businesses. CCB's performance remains reasonable when compared to the updated data.

<b>Table 2A - Borrower Distribution of Loans to Businesses in the Fairfield AA (2017)</b>			
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Total
% of AA Businesses	87.34%	12.66%	100%
% of Bank Loans in AA by #	48.39%	51.61%	100%
% of Bank Loans in AA by \$	37.16%	62.84%	100%

Source: Loan sample; Dun and Bradstreet data.

### Performance in the Hartford AA

The distribution of loans reflects reasonable penetration among businesses of different sizes in the Hartford AA. In 2015 and 2016, CCB originated 57.14 percent of business loans by number and 61.42 percent of business loans by dollar amount to small businesses in the Hartford AA. CCB's performance is reasonable compared to demographic data for the Hartford AA. The data indicates that 83.23 percent of the AA's businesses are small businesses. While CCB's distribution of loans is lower than the percentage of small businesses in AA, their performance is reasonable given the competitive market for business loans across the AA.

<b>Table 2A - Borrower Distribution of Loans to Businesses in the Hartford AA (2015-2016)</b>			
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Total
% of AA Businesses	83.23%	16.77%	100%
% of Bank Loans in AA by #	57.14%	42.86%	100%
% of Bank Loans in AA by \$	61.42%	38.58%	100%

Source: Loan sample; Dun and Bradstreet data.

In 2017, CCB originated 60 percent of business loans by number and 87.84 percent of business loans by dollar amount to small businesses in the Hartford AA. Updated demographic data for 2017 indicates that 83.46 percent of businesses in the AA are small businesses. CCB's performance remains reasonable when compared to the updated data.

<b>Table 2A - Borrower Distribution of Loans to Businesses in the Hartford AA (2017)</b>			
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Total
% of AA Businesses	83.46%	16.54%	100%
% of Bank Loans in AA by #	60.00%	40.00%	100%
% of Bank Loans in AA by \$	87.84%	12.16%	100%

Source: Loan sample; Dun and Bradstreet data.

### **Geographic Distribution of Loans**

The geographic distribution of loans reflects excellent dispersion across census tracts of various income levels. This assessment is based on excellent dispersion in the Fairfield

AA and the Hartford AA. We give less weight to CCB's performance in the Hartford AA given the small number of loans that the bank originates there. We did not identify any conspicuous lending gaps in CCB's Fairfield and Hartford AAs.

Performance in the Fairfield AA (2015-2016)

CCB's performance in the Fairfield AA during 2015 and 2016 represents excellent dispersion throughout census tracts of various income levels. CCB originated 222 business loans in the Fairfield AA during that period. Throughout 2015 and 2016, CCB originated 12.61 percent of business loans in low-income census tracts and 23.87 percent of business loans in moderate-income census tracts. CCB's performance is excellent when compared to demographic data for the AA. The demographic data indicates that 9.46 percent of businesses in the AA are located in low-income census tracts. Meanwhile, 16.37 percent of businesses are located in moderate-income census tracts.

<b>Table 3A - Geographic Distribution of Loans to Businesses in the Fairfield AA (2015-2016)</b>								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Business Loans	9.46	12.61	16.37	23.87	29.81	26.58	44.37	36.94

Source: Loan sample; Dun and Bradstreet data.

Performance in the Fairfield AA (2017)

CCB's excellent performance relative to geographic distribution of business loans continued in 2017. CCB originated 94 business loans in the Fairfield AA throughout 2017. The bank originated 13.83 percent of loans in low-income census tracts and 19.15 percent of loans in moderate-income census tracts. CCB's performance is excellent when compared to the updated 2017 demographic data also. The demographic data indicates that 9.51 percent of the AA's businesses are located in low-income census tracts and 16.34 percent are located in moderate-income census tracts.

<b>Table 3A - Geographic Distribution of Loans to Businesses in the Fairfield AA (2017)</b>								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Business Loans	9.51	13.83	16.34	19.15	29.84	25.53	44.31	41.49

Source: Loan sample; Dun and Bradstreet data.

### Performance in the Hartford AA (2015-2016)

CCB's performance in the Hartford AA in 2015 and 2016 represents excellent dispersion throughout census tracts of various income levels. CCB originated 14 business loans in the Hartford AA during that two year period. They originated 14.29 percent of those loans in low-income census tracts and 14.29 percent in moderate-income census tracts. CCB's performance is excellent when compared to demographic data, which indicates that 11.68 percent of the AA's businesses are located in low-income census tracts 14.54 percent of the businesses are located in moderate-income census tracts.

Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Business Loans	11.68	14.29	14.54	14.29	38.77	21.43	34.66	50.00

Source: Loan sample; Dun and Bradstreet data.

### Performance in the Hartford AA (2017)

CCB's performance in the Hartford AA in 2017 represents reasonable dispersion throughout census tracts of various income level. CCB only originated 5 business loans in the Hartford AA in 2017, which justifies the uneven dispersion illustrated by the table below. The bank originated 20 percent, or just one of those business loans in a low-income census tract. The bank did not originate any loans in moderate-income census tracts throughout 2017. Despite originating few loans in the Hartford AA during 2017, CCB's performance remains reasonable when compared to updated 2017 demographic data. The demographic data indicates that 11.83 percent of the AA's business are located in low-income census tracts and 14.59 percent are located in moderate-income census tracts.

Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses /Farms	% of Number of Loans
Business Loans	11.83	20.00	14.59	0.00	38.61	0.00	34.62	80.00

Source: Loan sample; Dun and Bradstreet data

### **Responses to Complaints**

CCB has not received any CRA or Fair Lending related complaints in relation to its performance during the review period.



## **COMMUNITY DEVELOPMENT TEST**

CCB's performance under the CD test is "Satisfactory." CCB has demonstrated adequate responsiveness to the credit needs of the Fairfield and Hartford AAs.

### **Number and Amount of Community Development Loans**

CCB has provided an adequate level of CD lending within its Fairfield and Hartford AAs. CCB originated 21 loans totaling \$24.8 million during the evaluation period which met the regulatory definition of CD. Some of the larger CD loans included the following:

- CCB committed \$1 million to finance the development of affordable housing projects throughout Connecticut;
- CCB bank committed \$1 million to provide down payment assistance to qualified low- and moderate-income homebuyers; and
- CCB originated a \$2 million loan to a senior care facility to finance the purchase of medical equipment to treat low- and moderate-income seniors.

A majority of the bank's CD lending benefitted Fairfield County. CCB originated 12 loans, totaling \$15.2 million, in Fairfield County that met the regulatory definition of CD. Meanwhile, the bank originated 3 loans, totaling \$5.6 million, in Hartford County that met the regulatory definition of CD. In addition, the bank originated 4 CD loans, totaling \$3.4 million, which benefitted both Fairfield and Hartford counties. Proceeds of the CD loans were primarily used to support affordable housing, to support community services, such as health or educational services, and to support revitalization and stabilization efforts in low- and moderate-income census tracts.

### **Number and Amount of Qualified Investments**

The level of qualified investments is adequately responsive to the community needs of the Fairfield and Hartford AAs. The bank has one qualified investment in the amount of \$605 thousand during the evaluation period that benefitted both Fairfield and Hartford counties. The qualified investment supported efforts to provide affordable housing to low- and moderate-income individuals.

In addition to responding to the community needs of the Fairfield and Hartford AA, CCB has also made several investments in minority-owned depository financial institutions. The bank has four certificates of deposit in minority-owned depository financial institutions totaling \$996 thousand.

CCB made 115 charitable contributions, totaling \$73 thousand, during the evaluation period. 84 of the charitable contributions, totaling \$61 thousand, directly benefitted Fairfield County. 19 of the charitable contributions, totaling \$8 thousand directly benefitted Hartford County. The charitable contributions supported community services, such as health and educational services, and economic development. CCB made some of their

largest charitable contributions to Dress for Success, Regional Hospice CT, and the Woman's Business Development Council.

### **Extent to Which the Bank Provides Community Development Services**

CCB provides an adequate level of CD services in both the Fairfield and Hartford AAs. Bank officers provided services to various CD programs that meet the regulatory definition of CD. The bank's Board of Directors, management, and staff participate in and serve as board members to CD organizations that provide community services, such as health and educational services, economic development, and affordable housing opportunities to low- and moderate-income individuals inside the bank's AAs. We found that a majority of the CD services directly benefitted low- and moderate-income individuals in Hartford County. Meanwhile, a significant portion of the CD services benefitted Hartford and New Haven counties.

### **Responsiveness to Community Development Needs**

CCB demonstrates an adequate responsiveness to the credit and development needs of the community. A majority of the qualified CD loans and services offered during the evaluation period addressed the needs of low- and moderate-income individuals in the bank's Fairfield and Hartford AAs. There were relatively fewer loans and services in the Hartford AA than in the Fairfield AA, given that the bank only has an affiliate office (InsurBanc) in the Hartford AA that does not offer traditional banking services. Identified needs across the AA include affordable housing and community services. CCB appropriately addresses these particular needs and, overall, displays adequate responsiveness to needs across the AAs.

## Appendix A: Scope of Evaluation

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The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and nonmetropolitan areas 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>	Lending Test (excludes CD loans): (1/1/2015 to 12/31/2017) Investment and Service Tests and CD Loans: (5/19/2015 to 5/22/2018)	
<b>Financial Institution</b>		<b>Products Reviewed</b>
Connecticut Community Bank, NA (CCB) Westport, Connecticut		Business Loans
<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>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Bridgeport-Stamford-Norwalk MSA (#14860) & Hartford-West Hartford-East Hartford MSA (#25540)	Full-scope Examination	None.

## Appendix B: Community Profiles for Full-Scope Areas

### Fairfield Assessment Area

Demographic Information for Full-Scope Area: Fairfield AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	127	22.0	22.0	18.1	37.8	0.0
Population by Geography	533,818	18.6	25.4	19.0	37.0	0.0
Owner-Occupied Housing by Geography	113,626	8.4	21.2	20.6	49.8	0.0
Businesses by Geography	56,702	12.5	19.1	20.9	47.4	0.0
Farms by Geography	1,288	12.1	20.0	25.5	42.4	0.0
Family Distribution by Income Level	127,605	29.3	15.3	15.9	39.5	0.0
Distribution of Low- and Moderate-Income Families throughout AA Geographies	56,325	22.59	29.67	27.94	19.79	0.0
Median Family Income = \$105,628						
HUD Adjusted Median Family Income = \$108,300						
Households Below the Poverty Level = 8.7%						
			Median Housing Value = \$529,856			
			Unemployment Rate = 4.1%			

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2015 U.S. Census, and 2017 D&B Data.

CCB's Fairfield AA includes all of the cities and towns in which the bank has a branch in Fairfield County. The Fairfield AA includes Bridgeport, Darien, Fairfield, Greenwich, Norwalk, Stamford, and Westport.

CCB's Fairfield AA is comprised of 127 out of the 211 census tracts that make up the entirety of the Bridgeport-Stamford-Norwalk MSA. Of those 127 census tracts, the income distribution is as follows:

28 census tracts or 22 percent of the AA are low-income,  
28 census tracts or 22 percent of the AA are moderate-income,  
23 census tracts or 18 percent of the AA are middle-income, and  
48 census tracts or 38 percent of the AA are upper-income.

The AA's population is 533,818 as of 2017. As for housing, there are 208,006 housing units in the AA. Of those housing units, 113,626 or 55 percent are owner-occupied, 76,463 or 37 percent are occupied, and 17,917 or 9 percent are vacant. The median family income across the entire Bridgeport-Stamford-Norwalk MSA is \$105,628. Finally, there are 127,605 families in the Fairfield AA, of which 56,912 or 45 percent are low- to moderate-income.

According to the Bureau of Labor Statistics, as of April 2018, the unemployment rate for Fairfield County is 4.1 percent, slightly above the national unemployment rate of 3.8 percent. The top employers in the Bridgeport-Stamford-Norwalk MSA are Immucor and Sikorsky Aircraft Corp. Meanwhile, federal, state, and local governments employ 46,248 people across the MSA. Top industry sectors include education and health services, professional and business services, and retail trade.

## Hartford Assessment Area

Demographic Information for Full-Scope Area: Hartford AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	114	35.1	21.1	21.1	21.1	1.8
Population by Geography	423,451	30.4	23.0	23.6	22.3	0.7
Owner-Occupied Housing by Geography	88,299	10.5	22.0	33.8	33.7	0.0
Businesses by Geography	30,764	22.4	20.5	26.6	29.9	0.5
Farms by Geography	580	11.6	24.7	28.3	35.5	0.0
Family Distribution by Income Level	102,226	33.3	17.2	17.7	31.8	0.0
Distribution of Low- and Moderate-Income Families throughout AA Geographies	47,967	29.0	22.9	30.8	17.3	0.0
Median Family Income = \$88,016		Median Housing Value = \$219,876				
HUD Adjusted Median Family Income = \$90,200		Unemployment Rate = 4.6%				
Households Below the Poverty Level = 14.1%						

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2015 U.S. Census, and 2017 D&B Data.

CCB's Hartford AA includes the following cities and towns: Avon, Bristol, Burlington, Farmington, Hartford, New Britain, Newington, Plainville, and West Hartford. CCB's affiliate, InsurBanc has one location in the Hartford AA, located in Farmington, Connecticut. Given that InsurBanc does not offer traditional banking services, CCB is much more active in their Fairfield AA than in their Hartford AA.

CCB's Hartford AA is comprised of 114 of the 224 census tracts that make up the entirety of the Hartford-West Hartford-East Hartford MSA. Of those 114 census tracts, the income distribution is as follows:

- 40 census tracts, or 35 percent of the AA, are low-income
- 24 census tracts, or 21 percent of the AA, are moderate-income
- 24 census tracts, or 21 percent of the AA, are middle-income
- 24 census tracts, or 21 percent of the AA, are upper-income
- 2 census tracts, or 2 percent of the AA, are unknown.

The total population of the AA is 423,451 and the median family income is \$88,016.

According to the Bureau of Labor Statistics, as of April 2018, the unemployment rate for Hartford County is 4.6 percent, which is higher than the national unemployment rate of 3.8 percent. Leading employers in the area include Hartford Healthcare with 18,425 employees, United Technology with 16,000 employees, and the University of Connecticut with 9,782 employees. In aggregate, federal, state, and local governments employ 94,188 people across the MSA. Top industry sectors include education and health services and professional and business services.